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AIR--X--PRESS

PROVING that shipping by Air Express can be profitable for many types of business long has been the stock in trade of all Air Express salesmen. But it remained for a 32-year-old Washington, D. C., architect to convert an investment of $5.30 in air shipping charges into a profit of $5,000-plus! Here's what happened:

The architect had entered a competition for the best design for a proposed veterans' service building in St. Paul, Minn. He finished and packed his sketches just three days before the closing date. Then he learned to his dismay that because of congested transportation facilities out of Washington, his entry might not reach St. Paul in time. A local R.E.A. employe suggested using Air Express, and that's where the $5.30 investment came in.

P.S. The Washington's man's plans won first prize, $5,000. "It was the best investment I ever made," he told a St. Paul Dispatch reporter.

★ ★ ★

PUPPIES HOLIDAY

HEADING SOUTH from Memphis, Tennessee recently to spend the winter in New Orleans, were two cuddlesome cocker spaniel puppies. They traveled by Air Express and were given a royal sendoff. A charming airline stewardess posed them for a *Commercial Appeal* photographer just before the plane departed.

★ ★ ★

FROM HISTORIC ST. JOE

ST. JOSEPH, MISSOURI, the scene of a pioneer era in transportation back in the Sixties, when it was a terminal for Pony Express operations, witnessed the most modern version of speed in transportation one day last month. More than a ton of anti-hog serum was air-x-pressed from the historic Pony Express city to Bogota, Columbia. The serum will be used to vaccinate more than 16,000 hogs, it was reported. Consisting of 50 boxes weighing 42 pounds each, the consignment was sent to South America by the St. Joseph plant of Lederle Laboratories. It was routed via New Orleans and Miami for transfer at the latter point to international air express service and flight direct to Bogota.

★ ★ ★

TRAFFIC GOES UP!

INTERNATIONAL AIR EXPRESS traffic volume continues to make news by soaring to percentage increases of 50 per cent or more each month. October shipments interchanged at 13 international gateway cities all the way from Boston to Brownsville, Texas, amounted to 45,169, a gain of 51.7 per cent over October, 1945. . . . Domestic Air Express also is setting new marks each succeeding month, with October figures showing a total of 330,374 shipments for an increase of 65.7 per cent over October a year ago. Gross revenue of this Air Express, handled nationwide for regularly-scheduled airlines in the U. S. and Canada, was up 63.4 per cent for the month.

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HANGAR *Chatter*

WE attended the American Society of Mechanical Engineers' press conference in the Hotel Pennsylvania for the British whizz, Air Commodore Frank Whittle of the Royal Air Force, inventor of the turbo-jet engine, and winner of the 1946 Daniel Guggenheim Medal for Achievement in Aeronautics. We were quite impressed with the fact that (a) he looks a little like Governor Thomas E. Dewey of New York, (b) knows his subject thoroughly, and (c) needs a good public relations man to advise him when he sounds the least big smug about British jet aircraft, which rankled some of his listeners.

* * *

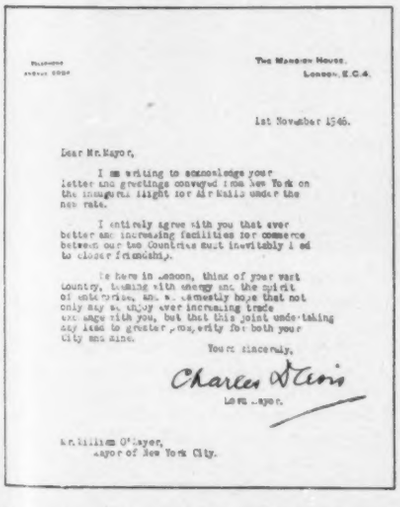
One aviation writer, who was a little worried about the mechanical difficulties in steering a jet plane, asked Commodore Whittle: "What do you do when you want to turn?" The commodore thought a little, shrugged his shoulders, and replied: "Just turn."

* * *

But the classic of that press conference was left publicly unuttered. During most of the session a number of carpenters in the next room kept beating a hammer-tattoo which seriously rivaled the clipped accents of the British celebrity. At the last moment a certain distinguished aviation writer decided against asking the following question of Commodore Whittle: "How does the noise and vibration of a jet engine compare with the Hotel Pennsylvania?"

* * *

Our Zeno McInnify has turned over to us this copy of a letter from Sir Charles



The Mansion House,
London, E.C.4.

1st November 1946.

Dear Mr. Mayor,

I am writing to acknowledge your letter and greetings conveyed from New York on the inaugural flight for Air Mails under the new rate.

I entirely agree with you that ever better and increasing facilities for commerce between our two Countries must inevitably lead to closer friendship.

We here in London, think of your great country, teeming with energy and the spirit of enterprise, and we earnestly hope that not only may we enjoy ever increasing trade exchange with you, but that this joint undertaking may lead to greater prosperity for both your City and mine.

Yours sincerely,

Charles Davis

Lord Mayor.

His Honour William O'Dwyer,
Mayor of New York City.

Davis, Lord Mayor of London, addressed to William O'Dwyer, Mayor of the City of New York, and observes that Bundles for Britain (or any reasonable postwar facsimile thereof) should supply the Lord Mayor's office with a new typewriter and ribbon.

Vol. 9 No. 6

AIR TRANSPORTATION
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Dec. 1946

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THE COVER—*A BELL helicopter illustrates the high utility of rotary wing aircraft in this typical industrial scene.*

JOHN F. BUDD, *Editor and Publisher*

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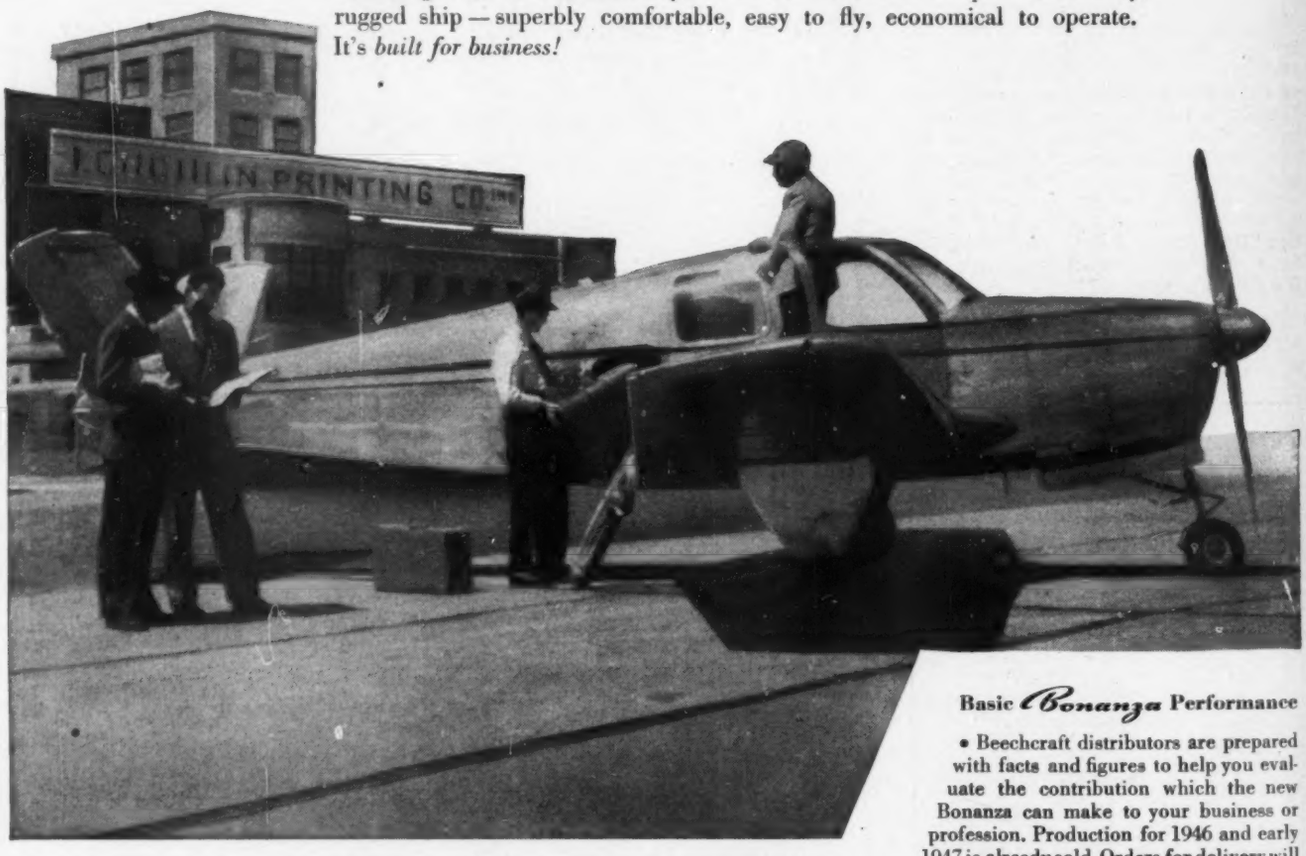

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Economics... NOT GLAMOR

By J. PRESCOTT BLOUNT . . . Assistant Vice President-Sales—Slick Airways, Inc.

It costs substantially more to ship fruits and vegetables by air. But why does it pay the shipper?

THE glamor and fanfare of pioneer air shipments of perishables having subsided, both shippers and air freight companies are now in a position to assay the economic advantages of air cargo. One conclusion reached almost unanimously by those who have watched air freight tonnage zoom from virtually nothing to millions of revenue ton-miles in a phenomenally short period of time is:

In order to popularize airborne fruits and vegetables, the grower and shipper will have to pick them virtually full-ripe —at the peak of their flavor—clean and package them attractively, and then get them to the airport in double-quick time so that they can be offered for sale the next morning on markets thousands of miles away. The same holds for seafood in that it must be top quality and offered to the consumer in its most lush and tempting form.

In only this way will the consumer—the housewife—pay a premium, and only a small one at that, for the fresh food she will set on her lunch or dinner table. This method, of course, requires something of a revolution in the matter of shipping several types of produce which, for generations, have been picked at certain stages of green-ripeness and permitted to reach maturity during a week-long trip to market by rail.

Two years ago, when air freight was newer than the atom bomb is today, the rates for shipping airborne perishables were 26 cents a ton-mile. That was plenty steep, although it was actually only one-third of the air express rate. With the entry of courageous groups of World War II veterans, backed by an abundance of know-how and operating experience garnered from transporting countless millions of tons of war materiél in the Air Transport Command and Naval Air Transport Service, the rates began to fall.

Drastic economies in administration and operation of airlines were effectuated by all the all-freight lines, and stringent competition ensued. Although this competition has taken an unfortunate toll of many young non-scheduled outfits, it is the old, established way of doing business in America and has resulted in real benefit to the shipping public. Rates dropped from 26 to 21 cents a ton-mile, then to 17, and are now as low as 11 cents in some instances.

J. Prescott Blount

Economic Reasons

For shippers of perishables, however, it still costs substantially more to move their commodities by air than by surface transportation methods. What, therefore, are the economic reasons for shipping, say, fruits and vegetables by air?

During the last 15 years, manufacturers of fibreboard containers for perishables have been waging a battle to win an important part of the immense fresh fruit and vegetable container market. One almost insurmountable hurdle was the fact that produce gives off moisture, and moisture is the enemy of fibreboard. Fibreboard baskets are used by the millions in the hothouse tomato industry, where the product moves rapidly into nearby markets, but fibreboard failed to displace the wood-lug box for long rail hauls. By cutting down the time in transit to hours through air freight instead of days or weeks by surface transport, attractive light-weight fibre boxes are succeeding.

In the same period of time, repeated attempts were made to package consumer units of produce at their point of origin—and nearly every attempt has failed. Of course, a small, mesh-type bag is used for citrus and potatoes today, but what about tomatoes. sweet corn, spinach, fresh figs and other products? Pioneers in the pre-packaging field already have proved that highly perishable commodities can be packed at origin, provided they reach their destination in 24 hours or less. Thus air freight furnishes another important answer—and it is becoming generally accepted that air freight and pre-packaging are inseparably linked.

A survey of the Ohio hothouse tomato industry for the Association of American Railroads in 1941 showed that consumers would gladly pay 10 to 20 cents a pound premium for the high-quality, vine-ripened hothouse product over the ordinary repack tomatoes. Obviously, fully vine-ripened tomatoes cannot be shipped by rail. But it is a foregone conclusion that air freight soon will bring about the growing of field varieties suitable for vine-ripening to take advantage of the demand already created.

Because white mold sometimes grows quickly on surface-shipped fruit and vegetables, shippers have traditionally picked their produce at certain stages of greenness. Plant breeders even produce varieties which color up before the fruit is ripe—so it will look fit to eat even if it isn't. Naturally, fruits are good to eat only when they are ripe—at the fullness of their flavor and with their vitamin content at its highest.

The Author

J. Prescott Blount is a well-known authority on the shipping of perishables. A native of Washington, D. C., he has had long experience in the field of transportation and allied industries. Blount has been connected with Wayne University, the Association of American Railroads, the Southern Box and Crate Association, and United Air Lines whose employ he left earlier this year to accept his present position of assistant vice president-sales for Slick Airways, Inc.

PRECOOLED VEGETABLES—Slick engineers and flight mechanics placing thermostats on a load of precooled vegetables in test flight with newly installed air conditioning equipment. In the foreground is George Winchester, chief engineer of the big non-scheduled air cargo line.

But ripe peaches or nectarines, or plums, or apricots, or tomatoes, simply don't hold up under the rigors of rough roadbeds. They don't hold up, either, in packages designed for green fruit, and they don't hold up in the five to 10 days' precious time in surface transit. Experiments conducted by Wayne University in Detroit and actual commercial shipments by pioneers like the late Ralph Myers of California, proved beyond all doubt, however, that certain fruits and melons can be harvested at their full, sweet flavor, shipped overnight to market, and find customers willing to pay a small premium for fruit which tastes far better than when moved by rail.

Deterioration Problem

What about temperature control for airborne perishables? Dealers well know the rapid deterioration which results when certain fruits and vegetables are harvested in a hot field, subjected to drastic precooling, shipped under 32 to 38 degrees refrigeration, and then exposed to high temperatures in market terminals and on store shelves. Experiments have shown there is a slower breakdown in a fruit stored for short periods at room temperature than in that which had the shock of sudden refrigeration and was returned to normal temperature. There is no question that with certain types of produce, the store life will be lengthened by maintaining normal temperatures from harvest and packing, through transportation to markets overnight and exposure for sale the day thereafter.

Air freight also is playing an increasingly important role in getting "first shipments" to market long before the railborne supplies finally roll in. First shipments of California cantaloupes brought $18 a crate before the regular commodity came in at $6 last Spring. In the future, large use will be made of planes for first shipments and for the purpose of filling in bare spots, serving lcl markets, and otherwise filling in where other transportation is too slow or nonexistent.

Factors which favor the use of air freight in moving perishables are:

1. New types of light-weight, eye-appealing shipping containers.

2. Pre-packaging of certain commodities at origin, leaving the garbage where it grows.

3. The fact that customers will pay a substantial premium for top quality and out-of-season products.

4. New markets opening for commodities too perishable to move any great distance by rail or truck.

5. Substituting speed for refrigeration and lengthening store shelf-life for certain products.

6. "First-of-the-deal" shipments.

Enthusiasts outside the air freight business sometimes go overboard in claiming that this new medium of transportation is about to revolutionize packaging and marketing of all perishables in the United States. Nothing could be farther from the truth. Air freight simply presents a new super-speed express service, and everyone knows that only a tiny fraction of the total production of perishables goes by rail express. Air freight may take over that fraction and add slightly to it. But that volume alone will keep air freight companies plenty busy in the immediate future. It isn't even a cloud on the horizon for commodities such as citrus, potatoes, apples, pears, lettuce, carrots, beets, cabbage and onions which move in huge volume. One planeload, or a hundred planeloads, aren't enough to take note of as compared with the total movement of these items.

(Concluded on Page 40)

HEATER IN ACTION—As a measure of protection of airborne perishables against severe Winter altitude temperatures, this heating system, developed by Slick engineers, is shown pouring a regulated stream of heat into the cargo cabins at one of the plane's stopovers. Connected with the Commando's ducts in the belly compartment, the 250,000 British Thermal Units per hour ground heater protects perishables from extreme cold during brief loading, off-loading, or refueling stops. Opening the big doors of the airfreighter causes the loss of considerable heat stored in the cabins. Plane and ground heaters together produce a half-million BTUs per hour.

This baby means business!

To operators seeking a profitable share of the nation's air cargo transport business, the giant, double-decked Boeing Stratofreighter is of vast significance.

With a cargo space *double* that of a railroad boxcar, the Stratofreighter will have the lowest direct operating cost of any transport—3.9 cents per ton-mile! It can be loaded quickly through four large doors at once, three at truck-bed level, the fourth having a 5000-pound overhead lift, reducing ground time and expensive airport equipment.

The four altitude-conditioned cargo holds can be individually heated or refrigerated, permitting *simultaneous* air shipment of delicate perishables as well as heavy staple goods.

The Stratofreighter's 4200-mile operating range, 20-ton load capacity and 300 to 350 miles an hour cruising speed will open entirely new markets for manufacturers—and create a whole new range of profit-making business for the airline operator.

The Stratofreighter is a twin to the Boeing Stratocruiser, first true super-transport, which will go into service in 1947. . . . Boeing Airplane Company, Seattle, Washington; Wichita, Kansas.

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BOEING

Stratofreighter

The same skill in research, design, engineering and manufacture that produced the B-17 Flying Fortress and B-29 Superfortress, ocean-spanning Clippers, Stratoliners and Stratocruisers distinguishes the Stratofreighter. Built by Boeing, it's built to lead.

A World at the

A Fast-Moving Picture of Distribution In the Air Age

IN the United States, already blessed with good railroads and highways, we are too apt to regard the airplane as just an addition to other forms of transportation. To see its revolutionary import clearly one should look abroad to countries whose problems of transportation have not been solved so easily.

In South America, for instance, you can see air transport demonstrating its power to change the outlines of history almost overnight. Below the Canal—just as over most of the world's vast land area—there has never been adequate railroad transport or a modern system of roads. Nor can there be in foreseeable time. Geography and practical economics make the cost prohibitive.

But the airplane is leaping the geographic barriers that have always walled off the major areas of South America from each other and the world. Today South America's air routes comprise a full one-fourth of all the world's air routes that are flown by scheduled airlines.

Let me cite the case of Colombia. Cut up by mountains, its transport facilities until the airplane came hardly matched those of Rome in Caesar's day. It has an isolated inland capital, Bogota. Freight sent there from the country's main seaport, Barranquilla, used to spend *weeks and months* in transit. How long it took depended on the state of the rivers, the roads, and the weather. Today the trip is made by plane in only 2½ hours.

In Bogota, before the days of the plane, there was never a possibility of eating fresh sea fish. Today they are flown into the capital regularly—in rubber containers shaped like milk cans, packed with ice.

Bogota merchants used to be separated from goods in New York by three to four months. Now they are only six hours away from Miami. They get two or three fresh shipments of stock every week. Capital frozen in merchandise in transit has been released for profitable enterprise. All up and down Bogota's boulevards you will find yourself at home among smart shops featuring branded merchandise from the United States.

A General Motors dealer in Bogota had a shining new Cadillac arrive with a smashed windshield. It was for a politically important customer. The dealer did not tell his customer. He merely sent a cable. That was on Thursday. Miami sent out a replacement on Friday, and the car was delivered to the happy customer on Monday in perfect order.

Changeover in Colombia

A few years ago Colombia was an all-coffee economy. Absentee land owners spent much of their time in Paris. Then oil was discovered at Cucuta—some of the best oil in the world. Airplanes were used for exploration. Without them, the job would have taken years. The area was completely virgin country, wholly isolated. With air transport at work, a pipeline was run to the sea in a few months. Planes hauled in all the machinery, equipment, and workers.

Result: Colombia's oil development is now a full 25 years ahead of its possible progress without the airplane. Meanwhile, the country is making herself an industrialized nation. Absentee ownership is on the way out. Instead of importing three million dollars' worth of shirts a year, Colombia is now bringing in our cotton and textile machinery, and is making her own shirts.

Even prompt clearance of bank checks in this country depends entirely on the airplane. Of only passing interest, perhaps, is the fact that you can sit today in a Bogota restaurant and enjoy delicacies from all over the world, or that shop windows show names familiar on Broadway, Fifth Avenue, and Main Street. But of significance almost beyond words is Colombia's soaring out of agricultural feudalism into modern progress, in less than a generation. The airplane is almost entirely responsible.

The events in Colombia are being

SHIPPER'S FINGERTIPS

By Irving B. Babcock

President, The Aviation Corporation

Chairman of the Board, Consolidated Vultee Aircraft Corporation

more or less matched in almost every country below the Rio Grande. History is more than on the march. It has taken wing. In Peru, Bolivia, Brazil, Venezuela, the Argentine. All over the continent the airplane has originated a new concept of living and of life.

The resulting changes in business practice are fundamental. If space permitted I could tell how a great drug house put one branch in Sao Paulo and another in Buenos Aires, and serves a whole continent by air delivery; how Fleischmann's Yeast has changed brewing practise, by using planes for fresh yeast deliveries all over the hemisphere; how luxurious raw furs are being flown into Argentina for finishing there; how a manufacturer of plastics chartered a plane to introduce a sales exhibit of his products to all of South America. But these are only details in a sweeping picture of revolutionary change throughout the southern continent.

All through the Near East and Asia there are similar vast areas, still living by ancient formulas, where air transport can bring similar economic progress. In Europe also, with its great reconstruction problems, men must ultimately use the airplane as a shuttle in weaving entirely new economic patterns.

The Department of Commerce, for instance, has been compiling estimates of what it calls *Air Cargo Potentials* for various foreign countries. It looked at Russia, and saw that our total trade with that country in 1939 amounted to $76,000,000. Then it looked at the various commodities we exchanged, and estimated that over a third of the 1939 total could be advantageously transported by air.

In 1939, we imported from Russia some two million pounds of furs worth almost $13,000,000. Since the value of furs per pound is high, air transport

Irving B. Babcock

adds relatively little to their selling cost. It may even effect compensatory savings, since air transport eliminates the need of refrigeration that furs must receive on long surface voyages.

Logical Air Traffic

It would seem logical to agree, therefore, that commercial air traffic between the United States and Russia should henceforth boom. But that conclusion is questionable, because our kind of logic is not prevailing in Russia just now. So no one today can even hazard an accurate guess as to how our future volume of Russian trade will compare with 1939—or whether Russia will ever allow us to use or planes to pick up and deliver goods at her airports.

For different reasons, speculation about the future usefulness of air transport in various other parts of the world is similarly futile, at this moment. More significant than tons of such guesswork about tomorrow is the actual record of commodities being profitably moved by air right now. In our own export trade, the items flown in largest volume this year have included periodicals, aircraft and auto parts, wearing apparel, and medical supplies.

These all answer the definition of merchandise that can advantageously be flown either because it has a high value per pound; or is perishable—news periodicals and highly styled merchandise are such; or fills an emergency need—spare parts, medical supplies and drugs are such emergency items.

Among our imports, the items moving by air in largest volume have recently included Swiss watches, and, strangely enough, dressed chickens. It happens that the Dominican Republic has recently been able to raise many chickens and sell them cheaply, thanks to plentiful grain supplies and low labor costs. These chickens have been eaten in quantity in the United States, thanks to air transport. Flown here all dressed and ready for cooking, they have been sold at prices competing easily with the cost of home-grown fowl.

I cite this not as a curiosity, but as an example of the new economics. It illustrates how air transport can put supplies all over the world in swift reach of a favorable market, and how buyers now have an operating radius they never enjoyed before. It suggests a new kind of widened competition for producers in the years ahead.

Another interesting new use of air transport is for the effective export of labor. Skilled needlework is one of the principal exports of the Caribbean area. Cut goods, or textiles, are now being flown from the United States to the West Indies, to be embroidered there by the native workers. The fin-

ished pieces are then flown back to North America for retail sale.

In our foreign trade, just as in our domestic business, tonnage moving by air transport is small compared with the volume of surface transport. It will remain comparatively small in the foreseeable future. That does not alter its impact as a force that is radically changing old economic relationships. *Air cargo is not a substitute for surface transport. It is a new form of transport that opens up wholly new possibilities, and therefore brings entirely new meanings into our world.*

The war brought this truth home to us. Air transport in World War II gave us a preview of what is coming now. Most Americans did not think of our bombers as transport planes. But a great bomber is only a specialized transport for particular weapons. And our unarmored air transports, which carried supplies, were as important for our victory as our bombers. Cargoplanes of the Army's Air Transport Command were crossing the Atlantic at intervals of every six minutes, for 24 hours a day, in the year the war ended. These transports conquered the emergencies.

I do not want to infer for one moment that air transport is just an emergency solvent. But it is in emergencies that we do discover better ways of doing things. What we learned about air transport in the war years is becoming the foundation of many routine operations now.

In December, 1944, during the German breakthrough, it was only through air transport that our Army overcame a severe shortage of mortar propellant charges. Thirty-five tons of these charges were delivered near the front only two days after they left the Edgewood Arsenal. In early 1945, we even flew locomotives into Burma. Each locomotive was broken down into 11 component parts.*

Such operations proved conclusively that air shipment requires far less packing than surface transport. In early 1945 the Eighth Army in Italy sent in a rush order for outboard motors. Packed for water transport, they weighed 1,000 pounds each. Repacked for air shipment, they weighed only 295 pounds, and they reached Italy in a few days. That saving is typical of air shipment. Remember it when you compare rates hereafter. *For surface transport the packing often weighs more than the product, and you pay freight on every pound.*

My own company had a striking experience in this connection only recently. Our New York office had an emergency call from Nicaragua. A customer there who owned one of our planes needed a tail wheel replacement. He asked that one wheel be sent immediately by air, and that a second be dispatched by surface transport. For the emergency air shipment the customer was naturally willing to pay a premium. We rushed him one wheel by air transport. And then we found, to our embarrassment, that the second wheel had to be billed at seven dollars more than the one that had traveled by air. What with the cost of heavy crating, transshipping from rail to water, insurance, etc., surface transport was actually extravagant.

When it comes to the question of favorable costs, the advantages of air transport are linked closely with the question of what kind of product you have, what kind of packaging it needs, what price you must meet, and what kind of customer you are reaching.

The number of products now going to market by air, here at home, already covers an astonishing range. Cut flowers, for instance, are being rushed to market by air in steadily increasing volume. Flowers picked in South Carolina at sundown are on sale before noon next day in Chicago, New York, and Boston. Air shipment reduces spoilage, eliminates the need of heavy packaging; its cost is an unimportant factor with this luxury product.

What about a cheap product like a newspaper? Air transport can even eliminate the need for investing in a new plant. A leading Eastern newspaper recently decided against erecting a West Coast plant for publishing a West Coast edition. It found that the cost of establishing, staffing and operating the extra plant would be greater than the cost of air transport for the newspapers printed in the east. *Newsweek* is now flying many thousand pounds of its weekly production from Dayton to Los Angeles every week. Each night copies of *The Wall Street Journal* sail through the air to Chicago, to be read there over breakfast tables just as in New York. Los Angeles newspapers are now being daily flown as far east as Texas. These instances, we may suspect, are only beginnings.

Nothing, of course, is more perishable than a newspaper, except, perhaps, the current styles. Shipments of highly styled women's clothing are being flown across the nation in increasing quantities every week. The merchandising advantages are clear. The merchant who shows the styles first secures faster turnover as well as larger profit. He has smaller markdowns. By getting quicker replacement of stocks, he can either keep his inventories down while maintaining his volume of business—or bid for increased volume by enlarging his assortments of offerings. He advances in prestige as well as prosperity. He can also shorten the range of his guesswork on style trends. Air deliveries help eliminate the need of placing orders months in advance.

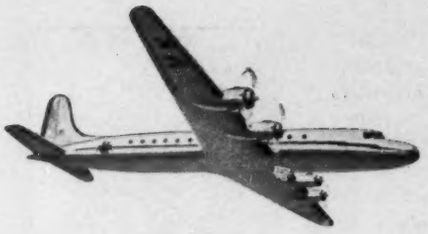
Sears Roebuck is sending shipments of women's wear to some of its retail stores several times weekly, using chartered cargoplanes to Los Angeles and other points. Sears has also instituted a challenging experiment by offering an overnight buying service to its Colorado mail order customers.* A Colorado resident selects what he wants from the Sears catalogue, then notifies one

* Read *Who Says Locomotives Can't Fly?* in July, 1945 issue of AIR TRANSPORTATION.

* See August, 1946 AIR TRANSPORTATION.

TO KEEP AMERICA WELL SHOD—A ton of shoes shipped via Eastern Air Lines illustrates what Irving B. Babcock calls the "new kind of widened competition for producers." The shoes were flown in a DC-4 from New York to Miami.

—AIR CARGO—



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American provides frequent daily flights to Mexico and Canada, and 14 flights weekly to Europe. From American's terminals in Europe, you can employ convenient connecting airlines to other foreign cities. For details call your nearest American Airlines office or write American Airlines, Inc., Cargo Division, 100 East 42nd Street, New York 17, N. Y.

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Did you know that international documents required for shipments by air are different and for the most part simpler than those needed for shipments by surface means?

As a service to air shippers, American Airlines has issued a concise, six-page pamphlet clearly explaining the documents required by the United States and 42 foreign governments for import and export air shipping. You'll find this up-to-the-minute guide essential. It can help you save time and money. Write for your free copy of "International Shipping Documents" to American Airlines, Inc., Cargo Division, 100 East 42nd Street, New York 17, N. Y.

12 REASONS WHY SHIPPERS SPECIFY "AMERICAN"

1. You can reach new and bigger markets.
2. Your merchandise gets to market at the most favorable time.
3. You can obtain higher prices for timely merchandise in top condition.
4. You can keep close control on inventories.
5. You have less capital tied up in transit.
6. Your dealers and distributors can meet demand quickly.
7. Your dealers and distributors can operate on smaller inventories.
8. You save on losses in transit.
9. You save on packing costs.
10. You save on spoilage and obsolescence.
11. You save time and money by eliminating red tape. There's only one shipping paper* and one responsibility.
12. You benefit by new, lowered rates.

*Besides usual government documents

AMERICAN AIRLINES

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of the retail stores in Denver, Pueblo or Colorado Springs. At 1 p.m. each day the store wires its catalogue orders to the Kansas City warehouse. The orders are filled and flown out to the retail stores that same night by commercial airline. The next day they are delivered to the Colorado customers by Sears motor trucks. This puts the mail order house on practically the same delivery basis as the local department store.

Many other organizations besides Sears are sending women's clothing to retail outlets by air transport. Saks in New York sends shipments regularly to its Los Angeles branch. Myer Siegal, a competing Los Angeles establishment, has directed 150 of its manufacturer suppliers to use air transport on all its orders henceforth. Other important organizations using air shipment for women's wear include Macy's, Marshall Field, Best, Lane Bryant, J. C. Penney, Silverwood's, Zukor's, and Brooks of California. One manufacturer has already copyrighted the name, *Airsped Fashions*, for a special monthly offering.

Some of these fashion shipments are handled by the commercial airlines as air express, which is a rush service door-to-door, and still more as air freight. An increasing volume of shipments is being carried by the charter plane services, which are showing a remarkable growth. One such service has announced it can fly a dress from New York to Los Angeles for 17 cents, door-to-door delivery.

Damage in air shipment is rare. The Navy has stated that, in transporting delicate instruments in wartime, breakage in air transit was under one percent, compared with over five percent for surface transit. The saving in breakage more than paid the air transport cost. Sears has said that in a test period of four months, while flying some 200,000 items, only about 50 became soiled. This, of course, reduces insurance costs. Cost of packing is practically eliminated. For shipping women's wear, the plane's interior is lined with Kraft paper, and the dresses are merely hung on racks. There is no need for pressing them before they go on sale in the store.

Fresh foods are another perishable being flown in increasing quantities. Live lobsters, for instance, can be shipped by surface transport no more than a thousand miles; even then the mortality often runs 50 percent. But live lobsters are now being flown from the East clear across the country; the flying time to California is 17 hours, and the cost just 17 cents a pound. The lobsters fly packed in wet seaweed; losses are negligible.

LA SENORITA SHOWS HOW — This window display, highlighting airborne Cuban merchandise via Expreso Aereo Inter-Americano, tells the story in a glance.

Alert farmers are seeing air transport offer them entirely new markets. Consumers are benefiting. Prosaic California vegetables like spinach—washed, trimmed, packaged on the spot—are being advantageously flown to Eastern markets and sold there at a premium price over the local product. Lush out-of-season fruits like early strawberries go by plane regularly to premium markets where the cost of transport is just an investment that pays growers top returns.

The transport both of goods and people by air is still in its early stages. One generation has seen the whole development, since the first flight of the Wright brothers. Unlike the railroads, the regular airlines have always seen passenger revenues outstripping express and freight revenues by far. But now revenues from cargo carried are increasing at the faster rate.* There is still room for enormous growth in both kinds of services.

Marvelous new planes are now being built that outmode all the world has seen to date. The airlines are ordering them in quantity, to accommodate the steady increases in traffic they have experienced and confidently expect to continue. The airlines are grooming their organizations, at the same time, to give the nation a greatly improved performance in their work.

We might remember, in this connection, that efficient passenger transport is as vital to modern distribution as the efficient transport of merchandise. By enabling executives to save valuable time, to cover far more territory with less effort, air transport is helping many organizations to increase their effectiveness. Here again the cost is an actual saving. The Naval Air Transport Service has made a study of the economies gained by dispatching personnel by air. It estimated not only the cost of the flight, but also the cost of a man's services lost while he spent valuable working time in transit. The Navy discovered that sending a captain on his route by plane instead of railroad actually saved 3.23 cents a mile. Many a business has been making the same kind of discovery.

Air transport is opening up opportunities that are limited only by our own imagination for remaking the world nearer to the heart's desire. Perhaps the greatest responsibility resting on our own age is to use the miracle of air transport for truly great ends.

* Read *Will Air Cargo Traffic Exceed Air Passenger Traffic?* in October, 1946 AIR TRANSPORTATION.

The Author

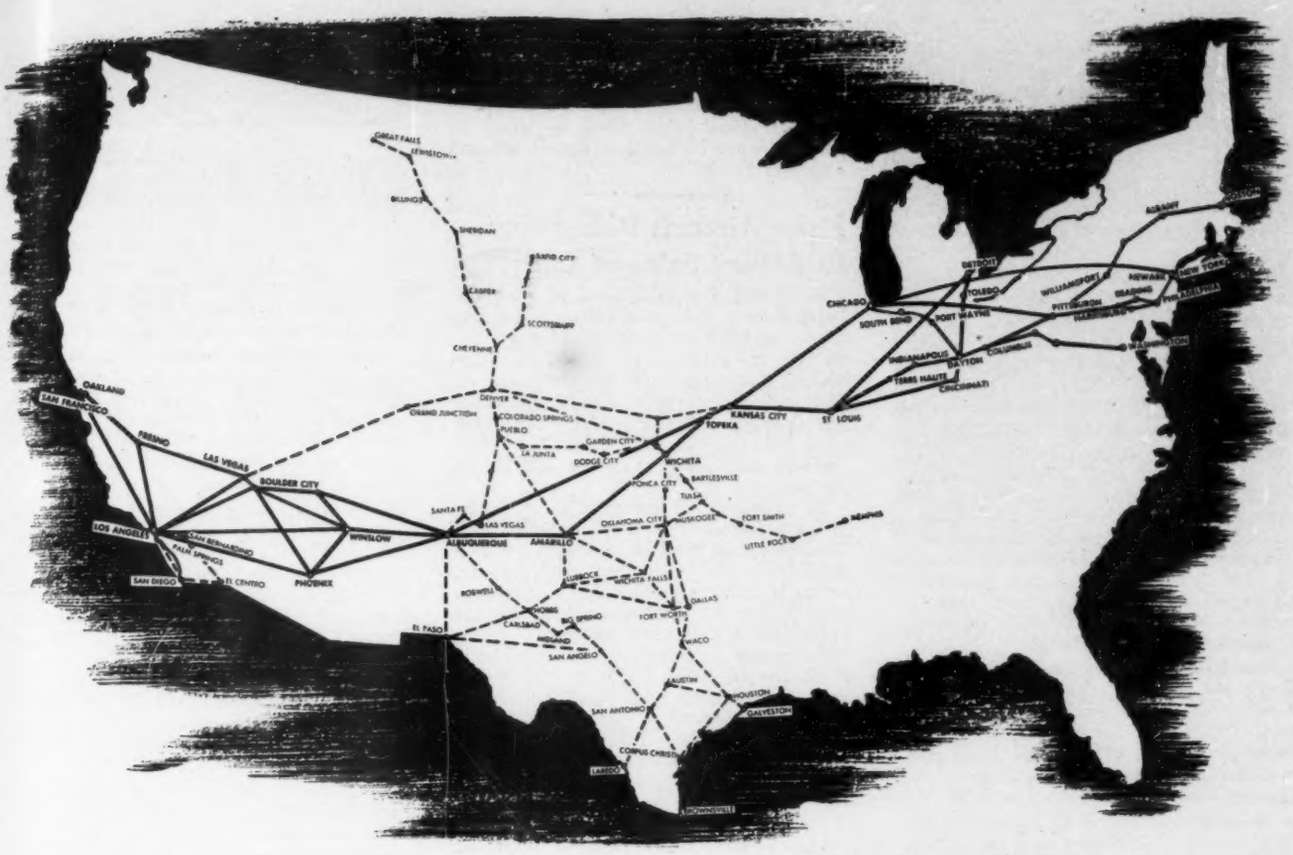
Milwaukee-born, Irving B. Babcock has been concerned with engineering and transportation for many years. He became associated with the Yellow Cab Manufacturing Company in 1920, first as comptroller, and then successively as treasurer and vice president. When the company was taken over by General Motors with the resultant change in name to the Yellow Truck and Coach Manufacturing Company, Babcock became president and general manager. Thereafter he became vice president of General Motors as well as general manager of the GMC Truck and Coach Division. Two years ago he became affiliated with The Aviation Corporation, resigning his General Motors offices and directorships in affiliated companies. During World War II he served as director of the Automotive Council for War Production and on three WPB advisory committees.

Braniff Connects Texas and Chicago

The first nonstop commercial air service between Texas and the Great Lakes area has been inaugurated by Braniff International Airways, linking Dallas and Chicago by air in a little more than four hours flying time. Forty-six-passenger DC-4s, which provide one-stop service between Chicago and Houston and San Antonio, are used.

DC-4 Sets Commercial Plane Record After 4,000-Mile Hop

A new nonstop world distance record for commercial planes was set last month when a Douglas DC-4 landed at Geneva, Switzerland, after a 4,000-mile hop from LaGuardia Field. The plane, first of four new 44-passenger craft purchased by Swiss Air Lines, was piloted by O. W. "Bill" Coyle and Bert A. Foulds, both of the Douglas Aircraft Company.



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Did you know that, through the cooperation of four connecting airlines, TWA offers you the largest, uniform, common-carrier **airfreight** system in this country?

As the above map illustrates, this great **airfreight** network reaches 82 American cities, embracing 820 trading areas.

That's a lot of market—*easily* reached on one air bill—*speedily* reached, for every TWA flight carries **airfreight**—and *economically* reached, for TWA **airfreight** prices have been reduced and all commodities now fly at the same low rate.

For schedules and complete details, contact our nearest **airfreight** office, today.

Less Transit Time—More Sales Time

Also: Direct one-carrier ***INTERNATIONAL AIR EXPRESS*** *anywhere in Ireland, France, Switzerland, Italy, Greece and Egypt*

Gulf Provides Free Gas, Oil To Flyers in 6th Air Tour

For the sixth time since 1937, hundreds of private flyers will migrate to Florida from all parts of the United States, between January 2 and January 26. The tour is sponsored by the Gulf Oil Companies whose purpose is to aid and advance private flying.

Four separate airways are being established with origination points in the vicinity of New York; Lock Haven, Pennsylvania; Cleveland; Lansing, Michigan; Ardmore, Oklahoma; Fort Worth, and Austin, Texas. At Orlando, Florida, the routes converge and branch out to points on both the east and west coasts of that state.

The air tour will be open to light airplanes with engines of 125 horsepower or less. There will be no mass flights, as in the early years of the tour. Each participant may start at any time after January 2, and may end the tour on or before January 26. Gulf provides free oil and gasoline to all registered entrants at more than 50 specified airports on the four especially designated airways to Florida.

"We have purposely kept this event as simple as possible," Major Al Williams, manager of Gulf's Aviation Department, said. "There are not cumbersome regulations. Any owner of a private plane powered by an engine of 125 horsepower, or less, can enter. The application form may be secured from any Gulf airport dealer. Once we receive this, we send the entrant a book containing coupons which he presents at specified airports where we provide free gasoline and oil. That's all there is to it. The pilot is on his own. He makes his own plans, leaves when he wants to, takes off when he wants to, stops when and wherever he desires."

Piper Aircraft Doing Well In Export Sales of Cubs

Since V-J Day, shipment of over 600 Piper Cubs to foreign countries and export orders on hand for 1,512 additional Piper aircraft are reported by W. B. St. John, general sales manager of the company. St. John, who recently returned from a six-week trip through eight Latin American countries, received 450 orders for Piper *Cub Trainers* and *Super Cruisers* during his journey.

St. John pointed out that private flying in Latin America is many years behind development in the United States, but that enthusiasm and the need for personal planes is perhaps greater due to the high utility value of light aircraft in regions which have few if any highways.

Shipments and orders for additional planes for the Union of South Africa have been exceptionally high, and indicate a tremendous growth in personal flying in that area, he said. There are 31 active Piper dealers in that country at the present time and 350 orders have been received since the end of the war. A large quantity of *Cubs* have been delivered to Portugal and the Scandinavian countries.

National Aviation Show Opens in New York February 1

AT THE 1946 SHOW—The Alaska Airlines display at the last National Aviation Show in New York.

New York's annual aviation show has been set to begin February 1 and will continue for eight days, according to an announcement made by the United Expositions Corporation, which has directed all the previous shows held in the nation's largest city.

Biggest change in the show is its theme, which has swung away from the 1946 military note to one emphasizing civil aviation. Thomas M. Cox, Jr., managing director, stated that the 1947 exhibition will take cognizance of the fact that "the public is already realizing the importance of the airplane and its effectiveness as an instrument of making for better international understanding."

"The many uses of modern air transportation are already recognized as a nation's greatest means of developing the kind of friendship it is seeking today," Cox said.

One of the many features arranged for the 1947 show is Robert E. Fulton's *Airphibian*, at the present time in the process of mechanical refinement. In addition to the personal aircraft to be put on display will be a variety of air freight handling equipment. Among the latter is a new-type loader manufactured by International Diesel and Wheels. According to Cox, the *Dragonfly* and the *Bumblebee* are expected to be included in the display of new personal plane models.

New Routes

IN a supplemental opinion issued in the North Atlantic Amendment case, the Civil Aeronautics Board announced it would continue in force a temporary exemption order, for a one-year period, enabling Pan American Airways to make intermediate stops at Naples and also extend similar privileges at Athens on flights from London to Turkey and beyond.

PAA had petitioned for a stop at Rome instead of Naples, and at Paris. Both were denied by the CAB. The Board said it was unable to accede to the contention that the public interest would be served by authorizing an additional United States carrier to serve the Italian capital.

The exemption authority granted by the Board will enable PAA to continue serving Naples as long as airport facilities are fully adequate. Because of some doubt as to how long the Naples airport will continue to meet the requirements of scheduled four-engined air service, the Board also included Athens in its temporary exemption order. Athens has a satisfactory airport, the CAB said, and should provide the airline with a traffic stop which will permit a prompt inauguration of service to Turkey and beyond to India.

PAA holds authorization to operate air service across the North Atlantic from the United States via intermediate points to London, and from that city via intermediate points through Europe and the Near East to Calcutta. On August 1, 1946, the CAB further authorized Pan American to extend its Central Pacific route, originating on the West Coast of the United States, from Midway Island via intermediate points to Calcutta connecting with its North Atlantic and Near East routes. However, the CAB pointed out that operational difficulties and lack of adequate air rights have delayed the actual operation of a great portion of the international mileage certificated in the original North Atlantic case.

On November 14, a bilateral air transport agreement between the United States and India, conforming with the principles embodied in the Bermuda Agreement between the United States and the United Kingdom, was signed, and operation of United States commercial air service across India assured. It is felt that the Board's action in naming Athens as a satisfactory airport stop should now permit prompt inauguration of air service from London to Turkey, and with the commercial air transport rights in India now agreed upon, the carrier should be able to look towards inauguration of its round-the-world air service.

Martin 202 in the Air

The Martin 202 has been successfully flown at the company's airport in Baltimore. Deliveries of this twin-engine transport begin next year.

PAA Hotel Subsidiary

Pan American has organized a wholly owned subsidiary, International Hotels Corporation, to carry out a program for hotel construction and expansion, primarily in Latin America. Wallace S. Whittaker, former General Motors executive, has been named president. Headquarters are in the Waldorf-Astoria Hotel, New York.

AIR FREIGHT and GOVERNMENT REGULATION

By H. Struve Hensel

Former Assistant Secretary of the Navy
General Counsel, Independent Airfreight Association

"If air freight is to prosper, it should and will do so through its own efforts. If air freight is to fail, it should likewise be permitted to do so on its own."

THERE are two traditional methods by which governmental bodies have approached the regulation of new industries and activities. The first approach—and I fear the more usual—has been to try to foresee all eventualities and to issue a comprehensive set of regulations covering all possible aspects, events and problems which can be divided by a selected group of versatile human minds. In short, rigid regulations are often announced in advance of actual experience as a process of deductive and imaginative reasoning.

Sometimes that approach cannot be avoided, but too often the crystal ball fails. The problems imagined never materialize. Those that are overlooked turn out to be the very ones which plague us the most. Under that procedure, natural development is often obstructed and well intentioned administrative action does more harm than good. The second—and I think preferable—approach is more gradual. General basic principles are first devised as a guide. The issuance of complete regulations is deferred as long as possible until they can be founded on actual experience. Flexibility is maintained so that the regulations can grow out of actual realities rather than be shaped according to preconceived and untested patterns. The superiority of the second approach was, I believe, conclusively demonstrated during the war, when in the fields of procurement and production we wrestled continuously with numerous imponderables.

The air freight industry is so new and yet promises so much that we cannot afford to try to shape its future in advance. Governmental regulation is undoubtedly already desirable. As the industry grows, regulation will become essential. We must take care at the outset, however, to make sure that regulation is fashioned from knowledge and not sprung full panoplied from some human brains trying in vain to predetermine the coming world.

Prior to the beginning of this year, air freight was not much more than a dream. It may have been born earlier as a concept. The records of 1940 and 1941 contain some sporadic references to experimental cargo transport, but only in the last year has the concept been reduced to practice. In 1942, the Civil Aeronautics Board referred to air cargo as a possible new development dependent on new techniques, expanded markets, and new forms of equipment. A distinguished speaker at last year's National Aviation Clinic expressed great pessimism about the possibilities of air freight in this country. His exact words were:

"It is my feeling that there is a relatively limited amount of cargo business which can profitably be handled by airlines in the United States. This volume is restricted by the splendid low-cost surface transportation available here. An opportunity for the airplane in mass transportation of cargo exists in other parts of the world where good surface transportation is not present."

Never has a prophecy been so wide of the mark. Today, millions of ton-miles of air freight are flown monthly within the territorial limits of the United States. As many, if not more, two-engined planes are engaged in the carriage of air freight than in the transportation of passengers and mail. The industry is following the graph of a geometrical progression. The demand for this speedier form of transport is growing daily. There are already many well informed people who believe that air freight has even greater possibilities than the established air carriage of passengers and mail.

I wish I could present the readers a bird's-eye view of the air freight forest. Unfortunately, the statistics on

the subject are extremely incomplete. Overall knowledge is most fragmentary. We can only guess as to the aggregate ton-miles carried, the numbers and types of planes used, the numbers of dollars invested and the numbers of men employed, the rate structures and the like.

Even the classifications applied to the air freight carriers have been vague and have added little to understanding. Their operations have been described as "non-scheduled." The certificated passenger carriers are called "scheduled operators." Reasoning based on an assumed distinction between "scheduled" and "non-scheduled" is not, however, helpful. At the start, air freight service was of necessity irregular. Equipment was scarce and tonnage was uncertain. A definite schedule of arrivals and departures, known in advance, was impossible. It was then grouped with uncertificated passenger operators in a catch-all category called "non-scheduled" and that appellation has stuck.

As air freight grew, its movements became more frequent. The CAB, sensing that air freight had achieved the statute requiring regulation, tried to effect that result by expanding its prior definition of "scheduled" carriers to include movements that were frequent even though still irregular. The exemption from regulation accorded to "non-scheduled" carriers was sought to be withdrawn or at least limited by restricting that exemption to infrequent as well as irregular transport. It was reasoned that air freight had definitely become frequent and the suggested new test was thought to force air freight under the supervision of the CAB. But air freight is essentially contract carriage, and economic regulation of contract carriage is not permitted under any existing statutes. That proposal, therefore, holds little promise and has not been pushed. It will not be harmful, but it does not solve the problem.

The basic present distinction lies, in my opinion, in the fact that the transportation of freight by air has been on a contract basis rather than on a common carrier basis. Whether the operation is scheduled or non-scheduled, according to old or proposed new definitions, is of little moment. Unless that is realized, we cannot come to grips with the problem. The shibboleths of "scheduled" and "non-scheduled" should be discarded. Economic regulation of air freight will not be possible until either the Civil Aeronautics Act is amended to include contract carriers or air freight enters the field of common carriage. Fortunately, air freight carriers have taken the essential first step and have applied for certificates of necessity and convenience as common carriers. These applications have been consolidated in Docket 810, known as the Air Freight Case.* Consequently, it seems probable that a start in governmental regulation can be effected without legislation. If contract carriage continues, however, in a large volume, it will have to be dealt with by legislation.

Some Facts

Until the hearings in the Air Freight Case are completed, we will have few details about the air freight industry in its entirety. Nevertheless, a few facts are now known and from them we can at least chart a temporary course.

(1) The carriage of freight by air is already extensive and is growing rapidly and steadily.

(2) Substantial sums of public and private capital have been invested in air freight lines.

(3) This development has been largely pushed by a new group of individuals outside of the certificated passenger field.

(4) This growth of air freight has been accompanied by, or vitalized by, intense competition, both direct and indirect.

(5) Although air freight started as an irregular, infrequent contract operation, it has already achieved regularity and frequency and its growth into the field of common carriage seems indicated.

(6) The present types of equipment are undoubtedly transitional and new efficient types are being vigorously sought.

(7) The rate structure is undoubtedly temporary and the ultimate level still a matter of conjecture.

(8) In spite of the glamor and romance of air freight, it is obvious that the future of air freight depends more on its ability to compete with existing forms of transportation as to rates and service.

(9) The catalog of air freight possibilities, at first limited to special foods, flowers and other perishables, is expanding daily.

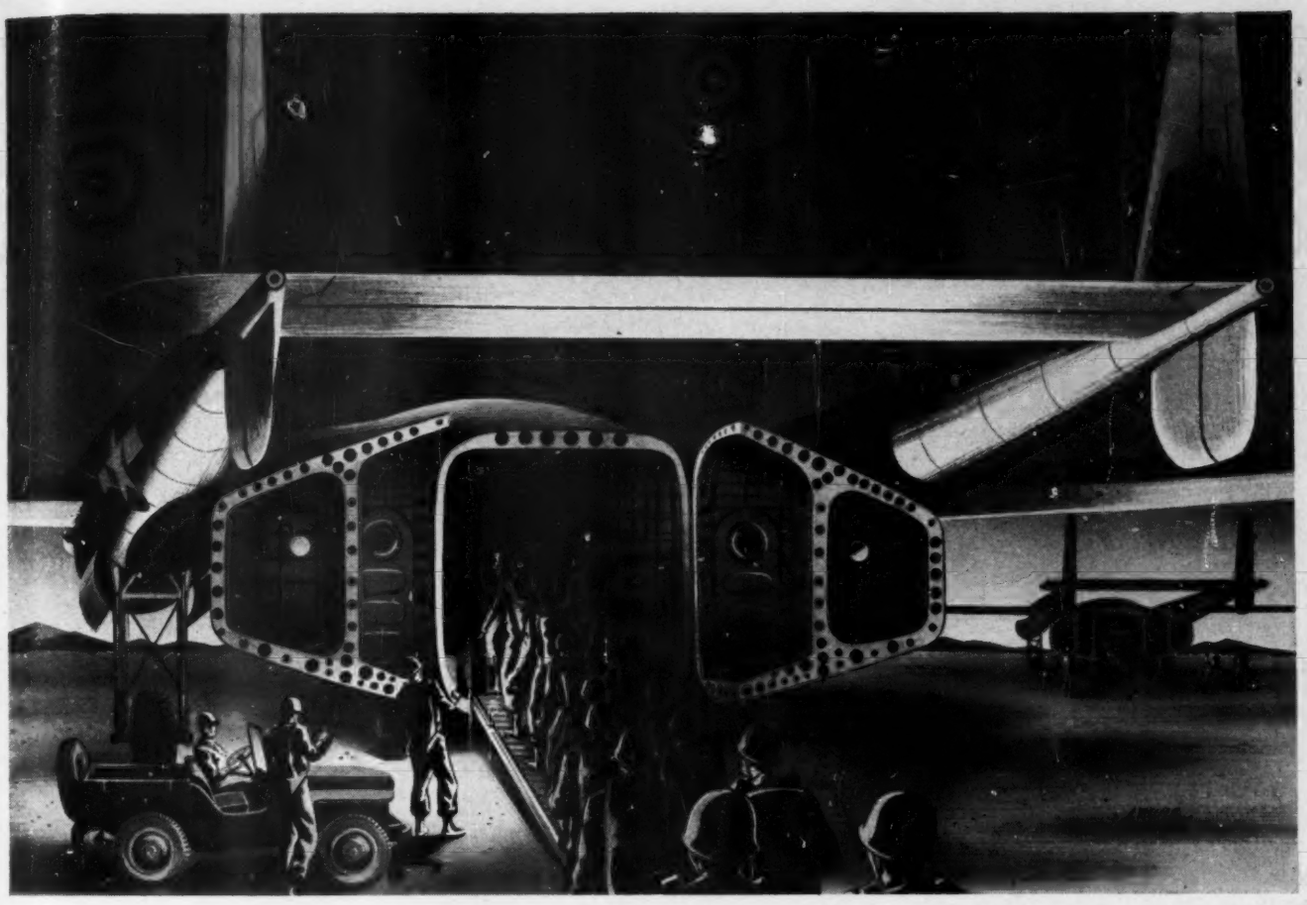
(10) Air freight operation seems more satisfactory as a movement between areas rather than between fixed terminal cities along definite routes of travel, as in the case of passengers and mail.

(11) Most important, air freight has developed without reliance on governmental subsidy and no subsidy is sought.

Such known factors have led many to the belief that air freight and the carriage of passengers have little in common. The equipment in the future will clearly be entirely different. The problems of scheduling, solicitation of traffic, pickup and delivery are com-

*Read *On the Non-Scheduled Front* in November, 1946, AIR TRANSPORTATION.

NEWS THE FAST WAY—A Flamingo Air Service cargoplane taking on a load of New York newspapers for swift shipment to Boston. Hensel states that "although the new contract carriers have pioneered most in the cargo field, they do not seek any special advantage on that account" and are "willing to meet all competition from scratch."



STRIKING FORCE "PACKET"

The Army is dedicated to the fast movement of troops, to lightning-like strikes in offense and the fast deployment of defending forces to key positions.

This principle is implemented by the close alliance between land and air forces. To the Third Air Force (Troop Carrier Command) has gone the job of speeding the transport of airborne battle specialists.

And to the Fairchild Packet has come a major role in the maneuvers that develop these techniques.

The Packet can shift from assignment to assignment with ease. It tows gliders. It carries guns, trucks or light tanks. It transports a complement of 42 airborne infantrymen. It is a jump ship for a like number of paratroopers. And, in a few minutes, it can be transformed into a hospital plane, carrying 34 litter wounded and four attendants.

The first plane designed specifically to carry cargo, with abilities typical of Fairchild design and engineering ingenuity, The Packet proves its versatility on duty with the Third Air Force.

IN COMMERCE, TOO . . .

The Packet can carry cargo no other transport can handle. Its spacious, boxcar-like hold accommodates *bulky* goods.

The hold is loaded and unloaded swiftly and with ease. Above all, The Packet is an efficient airplane. Its inherent economies are vitally necessary to profitable air freight operations. For details of The Packet as a commercial "flying boxcar" write Transport Sales Division.

Fairchild Aircraft

Division of Fairchild Engine & Airplane Corporation, Hagerstown, Maryland

IN WAR—The author points out that despite predictions of failure, war veterans paved the way for a great new industry. War scenes, such as the one above, now is being repeated many-fold everywhere in the United States.

pletely dissimilar. For a time it was thought that the only thing the two types of carriage would have in common would be the landing strips. Today there is considerable agitation, with a very firm basis, for separate airports for freight and passenger service. The only similarity between the two services now seems to be the fact that both fly through the air.*

In the light of such considerations, I should like to suggest a few basic principles, which might be used as the foundation for governmental regulation of this new industry.

1. Since no governmental subsidy will be involved, competitive forces, rather than governmental action, should be allowed to determine the future of the industry to the maximum extent possible. If this theory is adopted, air freight certificates should be issued in Docket 810 with considerable liberality. Free competition should be limited only to the extent necessary to prevent rate wars and other destructive practices through which economic power might obstruct or retard normal growth and development.

2. The industry, being clearly a new and different industry, should be covered by special air freight certificates and should be permitted to develop according to the specific principles found to be controlling in respect of that industry alone. The concepts previously established for the air carriage of passengers and mail should not be applied.

3. The air freight regulatory pattern should be kept as flexible as possible until sufficient experience is accumulated to make us certain which of the practices and procedures will be most suitable.

The case in favor of permitting and encouraging competition should not be difficult to establish. It is our traditional industrial approach. Our theory of competition is generally given credit for our national vitality and dynamism. Under its impetus, research and development is most vigorously pursued and the most progressive leaders are induced to experiment. Consequently, unless there is some unusually compelling reason for a different approach in the air freight industry, no more discussion should be necessary. We will be following a tried and tested path.

Limited Competition

I realize that it may be argued that passenger transportation by air has been developed under a theory of limited rather than free competition. I think that is correct. In fostering passenger carriage, we seem to have proceeded on the theory of permitting competition only to the extent necessary to prevent monopoly and of limiting new certificates as much as possible to the carriers existing as of the enactment of the Civil Aeronautics Act. New carriers have not been permitted to enter the field, if the proposed service could be equally well performed by an existing carrier without raising the specter of monopoly. It is not necessary here to discuss the wisdom of that approach. It is enough to note that, whether right or wrong, it was dictated by a factor not present in the air freight industry—the need for governmental subsidy and public expense.

Consciously or unconsciously, all our thinking as to passenger transportation has been influenced and in fact determined by the Federal subsidy involved. Competition has been regarded favorably only if not too expensive. Applications for new and additional service were granted or denied depending upon the projected public expenditures. Few, if any, carriers have been willing to enter the passenger field without governmental assistance through liberal mail pay. A new carrier could seldom be licensed without affecting the subsidies needed by existing carriers. The advisability of additional competition in the passenger field has, therefore, always involved a balancing of public convenience against the possible increased expense to the government, and thus to the people. Such thinking was carried over by the Department of Commerce in the air freight field. It accepted the need for competition in air freight, but expressed the thought that it should be limited so as not to increase the subsidies for mail carriage now accorded to existing passenger lines.

With that comment I respectfully differ. The problem of subsidy is not present in connection with air freight. No governmental subsidy has been received by the air freight industry and none is requested. There is, therefore, no public expense involved in free air freight competition. In spite of many operational losses to date, air freight is firm in its conviction that it can justify itself by itself as an efficient and economic method of transportation. Even if it be proper in the passenger field, the theory of limited competition has no place in the freight field.

As a matter of fact, free air freight competition will not threaten the existing business of the presently certificated air carriers. Passenger, mail, baggage and express traffic should, if anything, be increased by the development of air carriage of bulk cargo. If the present passenger lines desire to enter this freight field, they should be free and willing to enter it upon the same basis as the present air freight lines have done, *i.e.*, without reliance in any way upon governmental subsidy. Any losses suffered should not then be charged against any mail pay subsidy. It is clearly fair to exclude from air freight any carrier needing the grant of a new subsidy or the continuance of a subsidy for that purpose which should otherwise be reduced or eliminated.

A return to unrestrained competition and the evils of *laissez faire* are not thus urged. Our theory of free competition no longer involves a prohibition

* Read *We Need Specialized Airports* in November, 1946 AIR TRANSPORTATION.

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of all restraints of unbridled economic power. Just as the necessary competition in general industry was preserved only through restraints on the destructive force of unlimited economic power, so also similar restraints will undoubtedly be needed in the field of air freight. The need for some supervision and regulation has already been admitted. There will be no difficulty in determining the quantity and type as long as we try to preserve free competition as our goal.

It is almost axiomatic that a new industry should be allowed to seek its destiny according to its own needs and possibilities. Concepts developed in other fields under other circumstances, particularly in the field of passenger air transport supported by a mail subsidy, should not be applied until carefully tested. Although the new contract carriers have pioneered most in the cargo field, they do not seek any special advantage on that account. They are willing to meet all competition from scratch. All they seek is an even chance. They oppose, however, the granting of any special privileges in air freight to existing passenger carriers who now may want to enter the cargo field on a favored basis.

The extent to which air freight and passenger transport can be mixed remains to be decided. There is a serious school of thought which believes a mixture will be uneconomic and that, therefore, passenger carriers should be excluded from the air freight field. Good business reasons can be urged in support of that view. The compelling influences which led to a combination of passenger and freight carriage in single railroad companies—the heavy investment in rails, roadbeds, bridges, track structures and terminals—do not obtain in air transport.

In the field of motor carriage, passenger traffic and freight transport are almost always handled by separate companies. That division, however, developed naturally and not by governmental edict. If that result is also economic in the field of air transport—and the similarities are many—it will come to pass as a matter of course and a prohibitive order will not be necessary. Consequently, in my opinion, the final decision should be left to economic forces, and the Federal Government should not now try to force any answer. I think, however, that, in order to maintain passenger service at the maximum, the CAB might well insist that any passenger line desiring to carry air freight should demonstrate not only that no subsidy will be necessary, but also that such action will cause no diminution in that carrier's ability and burning desire to develop its passenger traffic. Passenger carriers not able satisfactorily to meet the demands of their passenger service should hardly be permitted to dilute their capabiliaies by entering the new industry.

The transportation of air freight in a plane devoted exclusively to cargo carriage should, therefore, be covered by separate air freight certificates to be issued, amended, altered, and withdrawn solely in the light of developments in the air freight field. Existing certificates referring to passengers, mail, and property should be interpreted to be limited to the carriage of such three items in a predominantly passenger plane. Although economic advancement is clearly sanction enough for that course, there are two methods by which such action can be dialectically justified as well.

"Property" Analyzed

The meaning of the word "property" as used in the existing certificates can be interpreted in the light of conditions as of the time of their issuance. Air freight was not then known. The property regarded as susceptible of air transport and referred to in the certificate was not bulk freight, but rather baggage and those miscellaneous small items generally but loosely called express. The position could with reason and justice be taken that the existing certificates were intended to refer to the transportation of property only as an adjunct to passenger transportation, and not to the transportation of bulk freight as a separate and distinct carriage effort. If that suggestion is followed, all presently certificated carriers desiring to enter the air freight field as common carriers will be required, without more, to apply for air freight certificates. Their present certificates will not be sufficient license for cargo common carriage.

If that interpretive method of dealing with existing certificates is regarded as too summary, a proceeding could be initiated by the CAB under Section 401(h) to alter and amend such existing certificates to exclude the carriage of bulk cargo in the light of the newly discovered public convenience and necessity in the air freight field. The only possible objection is that such procedure will consume time and effort. If it is preferred by the Board, there can, however, be little serious opposition. The economic situation is such that, in my opinion, the result will be the same.

The suggested decision to deal with air freight separately will not be unfair to the presently certificated lines. If any of them desire to carry air freight, it will be no hardship to apply for a special air freight certificate. Such applications should be freely granted upon a showing of ability and proof that such carrier's cultivation of the passenger field will not be diminished. If a passenger line does not care to enter the air freight field, it will suffer no loss.

Flexibility in any presently announced regulatory pattern must be maintained at all costs. We do not yet know our destination. No one can clearly foresee the future of air freight. The vistas ahead have shifted several times in the past few months. Against predictions of failure, air freight was developed by men who served in our armed forces and believed in its future despite the gloomy forecasts. The original appeal to shippers was through some glamor and romance. For once glamor has faded into an even more attractive reality. Air freight has already become a real transportation factor in a country distinguished for improved and widespread transport.

Tomorrow may produce further changes. Any complete set of regulations which can be now devised will have to be changed within the next year or shorter period of months. Final decisions may not be possible for many years. In order to maintain such flexibility, the air freight certificates granted now should be made subject to periodic investigation, with assurance given that if the field is diligently and capably worked by the franchise holder, the franchise will be continued. Only those who, like the Biblical servant who hid his talent in the ground, do not develop their franchises will run the risk of losing them.

This course has another appeal. Under it rigid administrative action, so distasteful to Americans, will not be the primary guide to our economic development. By that statement no slur on bureaucratic action is intended. I was a bureaucrat long enough myself. I know something of the problems faced by governmental administrators. But I am also aware of the care which should be taken by government to interefere as little as possible with economic forces.

I have great faith in the goals which

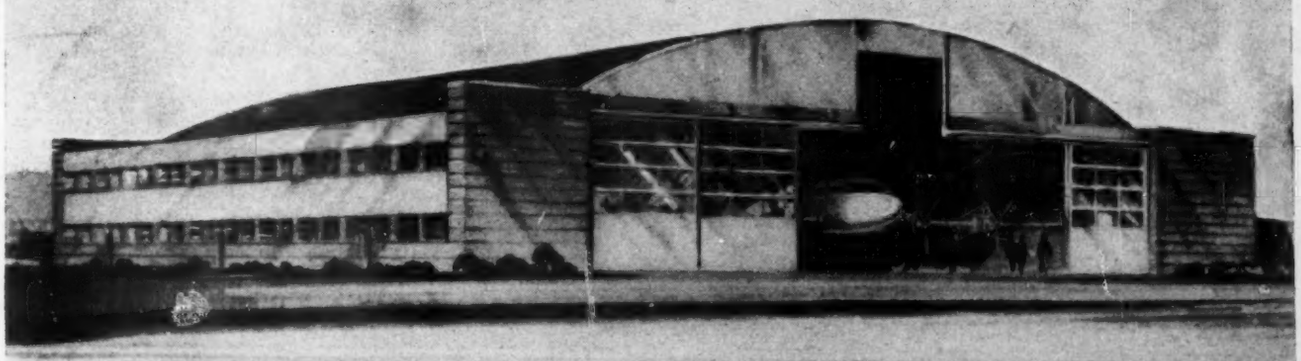
(*Concluded on Page 26*)

The Author

H. Struve Hensel, a member of the firm of Carter, Ledyard and Milburn, served as Assistant Secretary of the Navy until March, 1946. Shortly afterward he became legal counsel for the Independent Airfreight Association. Hensel, who has practiced law in New York for more than two decades, left his private practice in 1941 to reorganize the Navy Department's legal staff, and served as general counsel for the Navy, later becoming Assistant Secretary.

HANGAR

by LURIA



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REPORTS **Pan American World Airways:** its *Clippers* made 100 transatlantic trips during the month of October, and in the first 10-month period of 1946, 918 crossings were made.

The *Flying Station Wagon*, a new-type personal plane put out by the **Stinson Division** of the **Consolidated Vultee Aircraft Corporation,** can be changed in a few minutes from a four-passenger ship to a cargoplane carrying pilot, passenger, and 500 pounds of freight. It's a companion to the *Voyager 150.*

Orlando Airlines of Florida has been denied permission by the Civil Aeronautics Board to transfer its assets and certificate to **Florida Airways, Inc.,** which was to have assumed all of Orlando's liabilities and issue stock to Thomas E. Gordon for assets in excess of liabilities.

More than 400 tons of food and other necessities were flown by **American Airlines** cargoplanes into Alaskan territory during October and November.

Chicago and Southern Air Lines has abandoned all plans to move its executive offices from Memphis to Chicago. According to President Carleton Putnam, the housing shortage and rising costs of building materials were important factors in making the decision.

A development contract for a small, simplified radar to weigh about 100 pounds and to be compact enough for the average commercial or military transport plane has been awarded to the **General Electric Company** by the Air Materiel Command, Wright Field, Ohio.

IN THE SHADOW OF THE DREAMBOAT

Three officials attending the National Aircraft Show at Cleveland stand beside the famous Boeing Superfortress Dreamboat, which flew from Hawaii to Cairo via the North Pole, to discuss the potentials of air shipping to the Far East. Left to right are: Ernest K. Satterlee, WAA official; A. E. Ulmann, vice president of the Frank Ambrose Aviation Company; and Frank Ambrose. The Ambrose Company is opening a branch warehouse in San Diego to facilitate its shipments of aircraft materials to the Orient.

Reduction of air fares between Seattle and Alaska and between a number of points within Alaska went into effect last month on **Pan American World Airways** routes.

Empire Airlines, New York, has inaugurated service from LaGuardia Airport to Buffalo, Rochester, and Syracuse. D18C Beechcrafts are used in this service.

The **French Government** is interested in obtaining the services of American consultants and experts in connection with the pending construction of the **Imperial Airdrome** in **Martinique, French West Indies.** An American concern is wanted to undertake construction of the airport.

Said **Sir William P. Hildred:** "The airlines are facing stiffer competition now since the *Queen Elizabeth* is on the sea, but the airlines are set for increased business which will go steadily up and up."

A three-year **New Jersey** municipal airport development program has been proposed by **State Director of Aviation Robert L. Copsey.** In his report, 35 projects were specified.

It now is possible to fly direct from **New York** to **Moscow** via **Stockholm.** Regular service has been resumed by Swedish and Russian airlines three times a week. Swedish planes take passengers to Helsinki, Finland, where Russian planes pick them up for Moscow.

National air companies desiring to engage in air traffic in **Brazil** must have not less than **$1,000,000** to obtain a charter.

Major Vassili Romanysk, champ parachute jumper in the Soviet Union, has claimed a new record with 1,500 dead falls. Last year he jumped 42,000 feet before opening his 'chute.

Air mail rates from **Belgium** to the United States have been cut in half as a result of the United States' action in halving its own rates to that country.

SETTLING WORLD AIR TRANSPORTATION PROBLEMS

General view of part of the session of the second annual meeting of the International Air Transport Association which took place in Cairo. Delegates of 70 airline companies attended the parley.

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STRINGER RESIGNS

The resignation of Harry R. Stringer as vice president in charge of traffic, mail, advertising and Public Relations has been announced by All American Aviation, Inc. He had been with the company since March, 1939. Stringer is former chairman of the Traffic Committee-Air Express and was the first chairman of the Air Cargo Conference of the Air Transport Association. He has served on the airline industry's advertising committee and publicity advisory committee, and is chairman of the ATA Air Mail Committee. For many years an exponent of feeder air service in this country, Stringer organized the Feeder Airlines Association and served as its president.

Westchester Airport to Be Provisional Field for AA

American Airlines will use the Westchester County Airport near White Plains, New York, as a provisional landing field. The airline plans to begin using the field before the end of this year.

The airport will be used at times when congested traffic or weather conditions make landing at LaGuardia Field difficult. A temporary terminal and an apron at the Westchester field to facilitate operations will be erected by AA.

American is the first of the large commercial airlines to make use of the Westchester field's facilities. No flights will be scheduled to or from the Westchester airport. Use of the field by AA will be entirely on an alternate basis. At time when operations at LaGuardia Field are shut down and the company's planes are instructed to land at Westchester, special crews will be available to handle the planes and passengers at the latter airport. Transportation will be available for passengers from the airport into New York City.

Westchester County authorities, including James Harding, commissioner of public works, and officials of the North American Airport Corporation, lessees of the field, are cooperating with the airline to install radio facilities, control tower, approach lights and other navigational aids to assure day and night operations under instrument conditions.

Uniform Airway Bill To Expedite International Cargoes Urged by Group

The simplification of frontier formalities by different governments, to expedite air express and air freight, was recommended in a report on international aviation to the United States Associates, International Chamber of Commerce. It was prepared by the Committee on Air Transport, of which Juan T. Trippe, president of Pan American Airways, is president.

The report suggested also that all first class international mail be carried by air when such carriage will expedite delivery. It also went on record as supporting along certain lines an international convention to provide a uniform method throughout the world of recording title to aircraft and aircraft mortgages.

"International air transport operators are entitled to this protection," said the committee. "Unless investors can be assured that aircraft ownership and titles as recognized in the home country of the air transport operator will also be recognized throughout the world, financing of air transport operations will be more costly and more difficult, with the reflected increased rate cost to the public."

The report pointed out that "whenever documentation slows up air transport, speed is lost and speed is air transport's principal contribution to the handling of international business." In the interest of speed, the committee recommended:

"To facilitate various formalities required for international air transport, we urge that a uniform airway bill may be put into effect as far as possible throughout the world and that consideration be given of the advantages of making such an airway bill fully negotiable. We further urge that efforts may be directed toward having the various governments concerned approve such airway bill and allow it to be used for the purpose of 'single document entry.' Air express and air freight, so important to the development of future international trade, can be expedited and simplified if the airway bill is accepted in lieu of consular invoices and other complicated documentation required when merchandise is imported by air."

In its recommendation on air mail, the committee said:

"The development of international trade has uniformly been found to follow increased international facilities for rapid mail delivery, particularly at the speeds which only air transportation can provide. Accordingly, we urge that all first class mail should be carried by air, whenever such carriage will expedite delivery. Furthermore, we recommend that the postal administrations in all countries consider at the earliest possible opportunity, (a) greater simplicity and uniformity in the charges made to the public for international first class mail, (b) reduction of such charges where appropriate and (c) consistently with the carriage of most first class mail by air, the elimination of surcharges on international air mail."

British Jets for AA Tests

British jet propulsion engines will be brought to this country soon by American Airlines for experimental commercial use in the United States, and for comparison with American jet power plants.

HEADS ATA COMMITTEE

M. P. Bickley, United Air Lines manager of cargo sales, who has been named chairman of the newly-formed cargo sales promotion committee of the Air Transport Association. The group was organized at a recent ATA meeting in Cleveland. It will instigate research on packaging for perishables, develop consumer acceptance for perishables, and investigate other air shipping problems.

24 More Foreign Cities Get Air Express Service by TWA

Trans World Airline has begun air express service to 24 additional cities in Europe and the Middle East, including the following cities: Amsterdam, Holland; Ankara, Turkey; Barcelona, Spain; Belgrade, Yugoslavia; Bratislava, Czechoslovakia; Brussels, Belgium; Bucharest, Rumania; Casablanca, French Morocco; Gethenburg, Sweden; Glasgow, Scotland; Graz, Austria; Innsbruck, Austria; London, England; Malmo, Sweden; Marseilles, France; Nice, France; Oslo, Norway; Reykjavik, Iceland; Salsburg, Austria; Stockholm, Sweden; Vienna, Austria; and Warsaw, Poland.

Air Freight And Government Regulation

(*Continued from Page 22*)

can be attained under our competitive system sparked by the profit motive. That profit motive, so often slandered, brought our country from a few scattered colonies to a great international power. It was also one of the mainsprings of our war production in which we attained a volume and quality never even imagined before. If air freight is to prosper, it should and will do so through its own efforts. If air freight is to fail, it should likewise be permitted to do so on its own. The Government will certainly want to minimize its responsibility for any such disaster. Therefore, the new regulations must be permitted to develop with the industry —consistent with the requirements of that industry, instead of being fixed by ivory tower planning at a time when the future of the industry is unknown.

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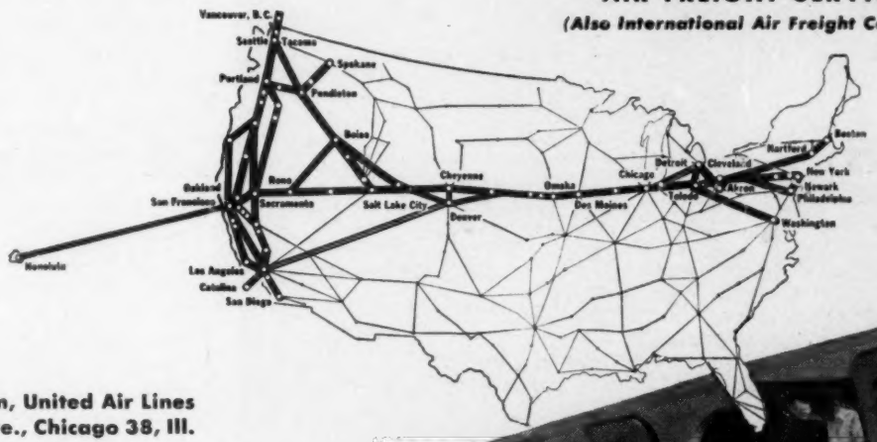

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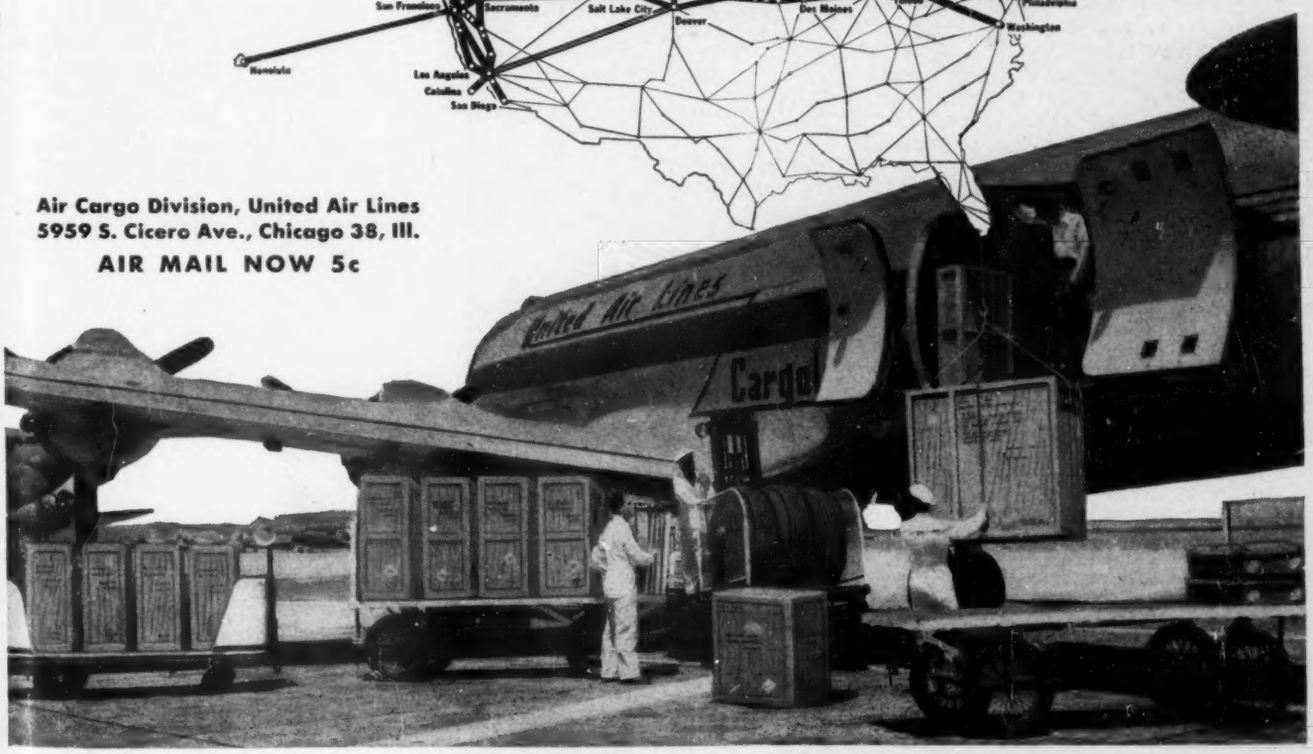


What Air Freight Carriers Can

THE EDITORS of AIR TRANSPORTATION *decided to publish this recently issued study in the present form because of its special significance to the readers of this magazine. The study was undertaken as a part of the New York Metropolitan Shippers Air Freight Survey "to provide the air cargo operator hauling perishables in the Greater New York area with a basis on which to plan for and develop return loads," as well as "to explore the ways in which industry can be benefited by the development of this most recent and most rapid medium of shipping." Deserving of compliment is the Fairchild Aircraft Division, Fairchild Engine and Airplane Corporation, which backed the cost of printing and distribution of the report as a service to the air freight industry.*

THE manufacture of ready-to-wear clothing is a relatively young industry. The real growth in clothing factories began during the last half of the 19th Century, after the invention of the sewing machine. These early factories were almost entirely devoted to the fabrication of men's clothing and it was not until the turn of the century that any significant expansion took place in the production of factory-made women's coats, suits and blouses. Expansion of the dress industry and the beginnings of factory-made children's wear date back to the first World War.

Prior to 1900 virtually all women's garments were made in the home, either by seamstresses or by the wearer herself. It has been estimated that at the present time in the United States about 25 percent of the total piece goods produced are sold over department store counters for home dressmaking. There is, thus, good reason for believing that the industry has not as yet attained its maximum growth and that considerable expansion in the manufacure of factory-made garments is still a potent possibility.

Dresses now form normal cargoes in numerous airfreighters.

Expect from

NEW YORK'S GLAMOR INDUSTRY

A thoroughgoing study of the air potentials in the New York women's apparel industry by

COLONEL L. H. BRITTIN, *Director*

BERTRAM AULT, *Analyst*

DR. ROGER MAYHILL, *Economist*

SCOPE

The apparel industry is the fourth largest industry group in the United States, surpassed in value of national product only by the textile-mill, food, and iron-and-steel industries. In 1939 the women's apparel and accessory group (including children's wear) comprised a national total of 16,112 establishments, employed 919,017 workers and produced goods valued at $3,230,790,000.

In this gigantic industry New York City plays the dominant role, acting as the nation's chief supplief of women's apparel and accessories. Although a considerable portion of the industry is scattered throughout the United States, the production of the higher-priced stylized merchandise, which basically represents air potential, is especially concentrated in the New York area. For every type of apparel, New York produces a substantially higher proportion of the national product when measured by value than it does when measured by unit production.

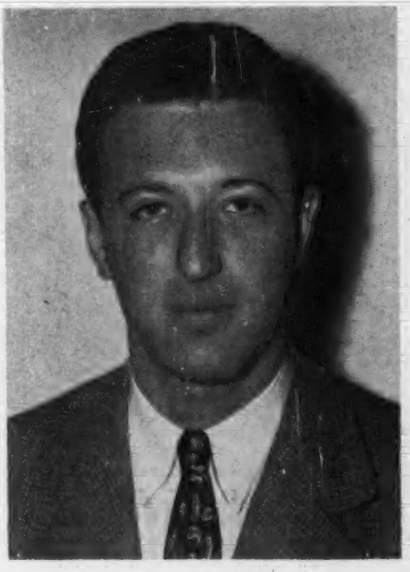
The first of a series of articles which will make some of the most informative reading in many a month.

PHYSICAL MAKE-UP

The industry in the New York area is composed of a large number (over 10,000) of small establishments. The size of the average New York shop with its 31 employees offers a marked contrast to the shop outside New York which has an average of over 100 employees. It usually follows that the larger shops employing mass production techniques are found in that segment of the industry manufacturing low price merchandise, while the high price merchandise is produced largely by skilled workers in small shops.

Despite the relatively small size of the average shop there is a trend for the individual shop to increase in size concurrently with a decrease in the number of shops. Latest available statistics released by the Census Bureau reveal that in 1943 less than five percent of the output was accounted for by firms with annual sales of less than

Colonel L. H. Brittin



Bertram Ault

Dr. Roger Mayhill

$150,000. As yet the industry is still very individualistic and has escaped consolidation although some manufacturers fear that eventually they may be squeezed between the textile mills on the one hand and the large buying syndicates and retail chains on the other hand.

One reason for the relatively large number of individual establishments is the little capital required for entering into business and the ease with which credit can be obtained from factors, banks and other sources. The extremely high capital turnover which characterizes this industry is a lucrative incentive for new entries. As an example, Julius Hochman in writing about the dress industry states that:

"One of the remarkable features of this industry is the large volume of business that is done on a very low capitalization. It is usual for capital to be turned over 10 to 20 times a year, a figure far beyond that of most other industries. Our capitalization per worker is only $400, whereas in most industries it is from $2,450 to $6,000. Our plant investment of $98 per operator and $45 per worker is almost negligible in the world of machinery in which we live. These figures indicate a dominance of workers rather than machines in the dress industry. But they also indicate a situation that permits easy entry into the business, and makes for chaotic competition that has been the source of many evils."

In prewar years the annual turnover of the industry was between 20 and 25 percent. This meant that in a four to five-year period the new entries and failures equaled the entire number of manufacturers in the industry. Despite this turnover, the bulk of the business was done by well-established firms who had been in business for a relatively long period of time and had achieved a large degree of stability. At the present time and during the war years the number of failures was reduced to a record low owing largely to the inordinate demand with resulting lack of competition among the manufacturers. No attempt will here be made to forecast to what extent prewar conditions will prevail when the present abnormal situation is over. However, it is well to note that plans have been formulated both by industry and labor groups to remedy these conditions and bring about an added degree of stability to the industry.

The important function played by the jobber in the industry is well worth mentioning. This type of organization acts as middleman usually between the small manufacturer, known as a contractor, and the retailer. There is usually a contractual arrangement between the contractor and jobber whereby the entire output of the contractor is sold to the jobber at a stipulated price. In many cases the jobber supplies the cut materials to the contractor and in recent years is held responsible for labor conditions and rates of pay in the contractors' factories. The jobber maintains the sales force and engages in promotional and advertising activities for selling the products to the retailers. Thus the contractor is freed from the responsibility and overhead necessary for marketing his merchandise and can concentrate solely on the problem of production. This type of arrangement is used very extensively in the dress and cloak industry where in 1935 the industry consisted of 395 jobbers, 934 manufacturers and 1,025 contractors and subcontractors.

The industry is extremely specialized with respect to type of merchandise manufactured and location of plant. One large building may contain dress manufacturers specializing in just one type of dress and price line. The same holds true, with modifications, for the fur industry, underwear industry and others. The dress industry is probably the most highly specialized with respect to type of merchandise produced by the

SUMMARY OF CONCLUSIONS

1. The women's apparel industry in the New York metropolitan area offers a substantial potential poundage available for air shipment. Tapping this potential on a large and sustained scale is conditioned on the following:

(a) Service standards, especially store-door pickup and delivery and dependable adherence to schedules, are presently more important than rates in shipping high-priced merchandise by air. Transportation charges are a negligible percentage of the overall costs of this class of merchandise which normally accounts for about five percent of the total production.

(b) The bulk of apparel merchandise is shipped by Railway Express. A considerable volume of medium-priced merchandise and a lesser amount of low-priced merchandise will be diverted to air freight at rates (10 cents to 14 cents per ton-mile), competitive with Railway Express.

2. Department stores, large women's ready-to-wear shops and apparel chains will be the first and largest users of air freight on a sustained scale.

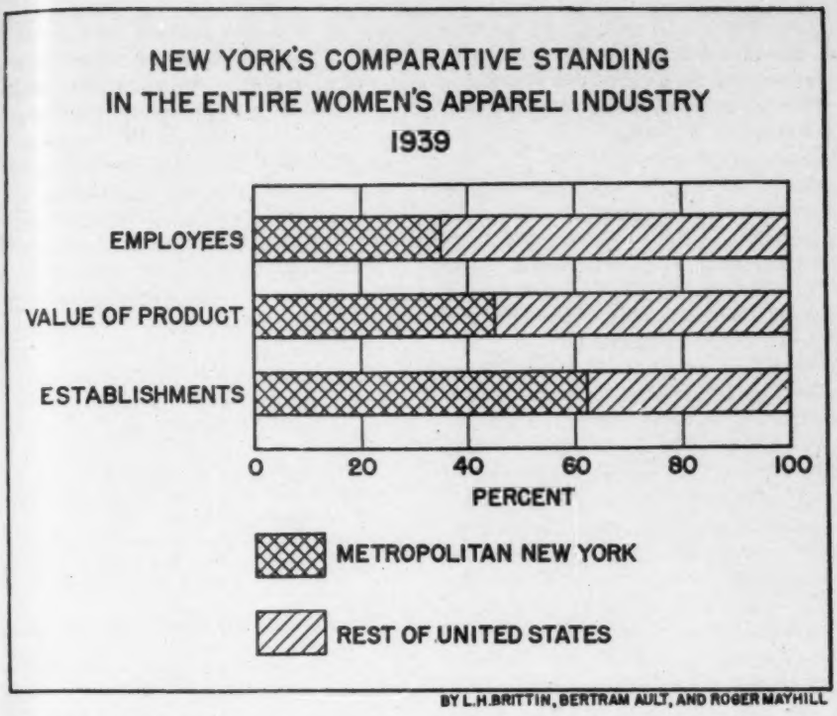
3. The air cargo operator cannot economically provide pickup service on an individual basis because there are over 10,000 manufacturers of women's apparel and accessories in the New York metropolitan area. The average shipment of apparel and accessories is small, weighing less than 50 pounds.

Joint pickup service, receiving stations and the use of freight forwarders and consolidators offer solutions to this problem. Container type equipment could facilitate mass handling of small shipments.

4. At rates of 10 cents to 14 cents per ton-mile, with adequate service standards, there is an immediate air potential of 2,809,000 to 3,511,000 pounds of women's apparel merchandise a year from metropolitan New York to the San Francisco-Oakland area. This represents an average of two fully loaded C-47 airplanes (6,000-pound payload) every working day. Greatest concentration of traffic will occur in the months immediately preceding Easter and Christmas. Lightest loads can be expected in late Spring and early Summer.

5. At the same rate levels and service conditions, women's apparel shipments by air to Florida are estimated to amount to a potential of 1,448,000 to 1,810,000 pounds a year. While this averages one fully loaded C-47 every working day, about two-thirds of this traffic will be concentrated in a four-month period, from November through February. On the basis of potential volume of traffic, direct service from New York is warranted only to the three metropolitan areas of Jacksonville, Tampa-St. Petersburg, and Miami.

RACKED FOR FLIGHT—Dresses flown in this manner save weight, time, repressing, and of course money. This picture was taken inside an American Airlines airfreighter.



individual plant. It is not uncommon for a dress manufacturer to fabricate only one basic style dress, in a single-price line and within a limited size group. On the other hand, there are several large nationally known brand manufacturers who each produce varieties of underwear, nightwear, hosiery, gloves and similar accessories. These, however, are the exception and not the rule.

Buying syndicates or merchandising houses are important elements in the industry. These organizations perform the service of maintaining a staff of buying specialists who do the purchasing, in part or in whole, for the retailer. Some of the largest of these establishments have personnel running into the hundreds, and represent scores of large stores scattered throughout the country.

The advantages in employing these agencies are obvious. These buyers are experienced specialists in their own field, and being in continuous contact with the trade, are aware of the latest fashions and trends. For the usual out-of-town store to maintain a similar staff of buyers in New York would constitute an expense which very few of them could afford.

The larger stores and retail chains maintain resident buyers in permanent New York offices. Most of the smaller stores send their own buyers to New York periodically. These usually contact their merchandising houses and act in concert. The merchandising houses invariably receive orders from their retailers relative to the shipping agencies to be used, and to quote most of them, act only as a "rubber stamp" insofar as shipping is concerned. In the majority of cases the goods are ordered shipped directly from the man-

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NEW ORLEANS
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MIAMI
HAVANA
NATIONAL AIRLINES
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ufacturer. However, some houses act as consolidators, receiving the merchandise from various manufacturers and consolidating the assorted packages into one shipment for a consignee.

STYLE

That intangible property known as style is one of the most vitally important factors in the production and sales of women's wear. By the same token it is of equal importance to the air carrier who expects to do a volume business in hauling women's apparel. In a study of the clothing industry in New York City, Drake and Glasser have aptly described the importance of style in the following manner:

"Success in the clothing business is not entirely determined by the quality of production nor by the costs of production. Profits and longevity of firms in the dress industry are to a large extent due to success in styling and luck in selling. A buyer is primarily interested in a 'good number,' which means attractive style, and may give only secondary consideration to the quality of materials used or to the proficiency of tailoring. These latter items are important only if the dress first satisfies the requirement of being fashionable. Stated more succinctly, the essential 'quality' of a garment in a fashion industry is 'style'.".

They also state that the prominence of fashion in women's apparel is not a new development, but that it is only in recent times that the civilized world has "so slavishly followed the dictates of either Paris or New York." Regarding rivalry between New York and Paris as style leaders, it was felt that neither has a monopoly on style innovation and that both have contributed their share to the development of the industry. New York's preeminence in the fashion industry is based to major extent on its large and efficient supply of workers and to its concentration of wealth which encourages fashion leadership.

Since informed opinion has universally maintained that *"high style items will be the first to move by air,"* it would seem well worth while to examine the workings of style more closely.

Although style is most closely associated with the dress and millinery fields, there is a varying element of style in every type of women's apparel. In its operation, style may be likened to a pyramid. New or radical style innovations are created by the highest paid designers, working for the most exclusive shops. These new designs are tried out and worn by celebrities and the style conscious wealthy class. This constitutes the apex.

The styles that meet with approval are either directly copied or modified by the next level, the medium priced group. It then seeps down to the popular, or low priced group, and becomes an accepted standard with the majority, representing the base of the pyramid.

While some new styles resemble their predecessors closely, others are frequently so different that from the viewpoint of the manufacturer they virtually represent new products. It has been stated that in the dress industry alone approximately 125,000 different styles were produced in 1939, almost evenly divided between the "better" and "popular" priced garments.

Practices vary among the lower priced manufacturers. Some establishments hire designers who design apparel based on accepted styles. Others hire copyists who openly copy styles of high priced merchandise. This latter practice of copying is an accepted competitive custom in the United States. France, on the other hand, has stringent laws making style pirating a criminal offense, and therefore protects the monoply enjoyed by Parisian couturiers.

The practice of style pirating in the United States is important from the point of view of the air carrier. It puts premium on speed of delivery since there is obvious advantage in getting a new, exclusive style into the hands of the customer before other establishments have had the time or opportunity to copy it.

Rapid changes of style are a continual problem to the manufacturer. Unlike the mass production technique employed to advantage by so many of our large industries, the fashion manufacturer must maintain a highly flexible organization based on a high proportion of relatively skilled labor. This is one of the main reasons for the small capital investment in the industry.

The rapidity with which styles change varies from one part of the industry to the other. In the most stylistic sections of the industry, such as the dress trade, low priced garments will have copied the high priced styles by the following season. Improvements in transportation have been a major reason for the greatly accelerated movement of new fashions across the country.

The factors which speed up changes in fashion are listed by Paul Nystrom in his book *Economics of Fashion*, as follows:

(1) Wide diffusion of wealth with increasing earnings and increasing prosperity.
(2) Increasing leisure.
(3) Widespread education.
(4) Whether prevailing philosophy is that of youth, progress and desirability of change.
(5) Effective and cheap reproduction of style goods.
(6) Amount of promotion by advertising and salesmanship.

It has been stated that during the war style changes decreased by about 50 percent. This was due in part to the restrictions placed on use of materials and to the lessening of competition. There is, however, every reason to expect much greater style activity in the near future than existed before the war. This contention is based on: introduction of new fabrics and materials developed during the war; increased competition with New York, both foreign and domestic; psychological aftermath of war; widespread use of quicker means of transportation and communication—airplane and television.

DELIVERY IN OAKLAND — Airborne chapeaux to suit milady's fancy are sampled by TWA hostess Dorothy Kester (left) and Pearl Hammond, representative of Capwell's Department Store, Oakland, California. New York's millinery output is significant as an air freight potential.

PRICE

Between the two wars, prices crystallized into definite price ranges with each manufacturer specializing on production within one specific range. In the previous section, reference was made to "high," "medium" and "low" priced merchandise. These are the broad groupings, within which prices are further broken down into subgroups.

The range from low to high varies considerably with each type of apparel. The dress and fur coat industries probably have the most extreme ranges in price. The retail price of a dress may vary from $1.98 to over $300 per garment, while $75 to $60,000 may be paid for a single fur coat. The undergarment group, including hosiery, probably shows the least variation in range of price.

Large scale production of low priced garments is mainly responsible for the tremendous growth of the apparel industry. This resulted from the introduc-

tion of cheap rayon fabrics, standardization of styles in low priced garments and the tremendous growth in the retail and mail-order chains who demanded volume production at lowest prices.

In the prewar period, production was roughly divided into 35 percent output of medium and high priced merchandise and 65 percent of low priced goods. Of the upper 35 percent, about five percent represented the high price category. While these percentages vary from one type of apparel to the other, they do indicate the broad distribution of production by price range. On the basis of price alone a rough index of immediate air potential can be made by assuming that the entire upper five percent and half the medium range, or 15 percent, plus a small percentage of the low price group will move by air at distances which show a substantial savings of time over surface transport.

Since the beginning of the war well known changes have taken place in the price level and price structure. First, the entire price level has risen; second, many of the low price lines have disappeared from the market entirely. It is generally known that this trend has continued at an accelerated pace since 1944, the last year for which figures are available. In general, the figures indicate that the increase in total value of output has not been accompanied by a similar increase in unit production, but reflect, in main, the rise in the general level of prices. For this reason it is felt that the use of 1939 unit production data is sufficiently accurate as the basis for making current estimates.

SEASONALITY

In contrast to the year round high level of activity which characterized the apparel industry since the war, the prewar or "normal" condition of the industry was marked by sharp seasonal variation. Both management and labor hope to maintain the present smooth seasonal pattern, but there is no assurance that they will succeed in so doing. The future supply-demand situation with its effect on the relative power of the supplier versus the buyer will be determining factors in shaping this pattern.

Generally speaking there were two main seasons in the trade—Spring and Fall, and two minor seasons—Summer and Winter. Production for Spring would get under way in January, reach a peak in February and March and taper off in the last weeks of April. August and September were the heavy production months for the Fall trade. While this is more or less of a general pattern, there was a variance of seasonality depending on the type of apparel. Coats, suits and furs, for example, have a much more limited buying season than dresses or undergarments which sell all year round.

The production seasons were themselves of short duration. In the dress industry, for example, the workrooms were busy only 30 to 32 full weeks a year. Activity in the fur and millinery industries was even more limited.

In discussing the dress industry, Drake and Glasser state that the wide seasonal fluctuations, causing a demand for labor in relatively short periods, meant that more workers became attached to the industry than could be fully employed throughout the year. They continue:

"The ability to concentrate so much of the year's business into short periods is also made possible by the existence of many firms and the presence of large excess capacity. At all times there are adequate resources standing ready to meet the peak requirements of the trade. Buyers for stores are thus provided with a valuable service since they are for the most part freed of the necessity to carry large inventories. If the capacity to produce in large volume over short periods were not available, either the buyers or the dress manufacturers would be compelled to accumulate stocks and to forego rapid changes in style."

[EDITOR'S NOTE: *This article will be continued next month.*]

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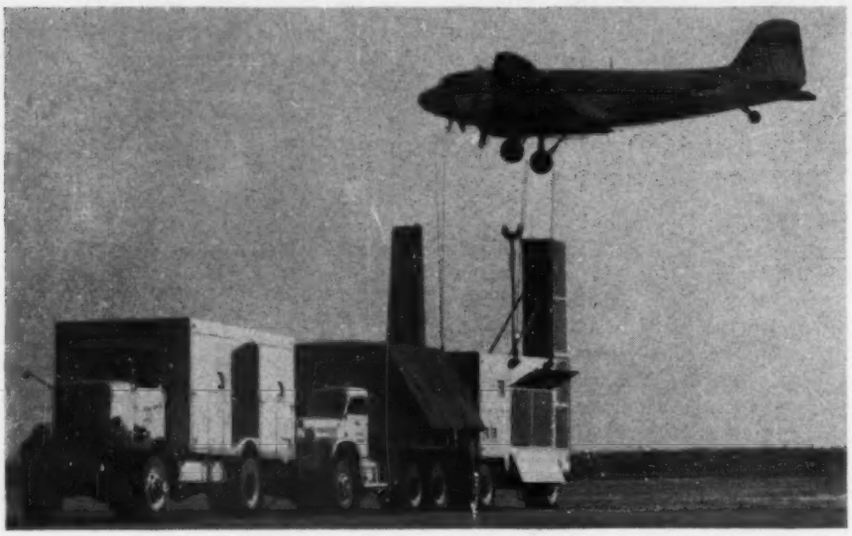
PAA to Operate Radar Unit at Gander Experimentally



TRAINING AT FLOYD BENNETT FIELD—A Pan American Airways DC-3 trainer flying low over the Navy's Ground Control Approach unit at Floyd Bennett Field, New York. This unit is regularly used here to bring in planes of the Naval Air Transport System.

A truck and trailer unit, parked at the side of a runway at Gander Airport in Newfoundland, houses a modern electronic navigational air aid known as Ground Control Approach. This is the first of such units situated at any of the overseas stations of commercial air carriers.

According to Wilson T. Jarboe, Jr., Pan American Airways' Atlantic communications superintendent, the radar unit using radio-telephone in guiding pilots into "weathered-in" airports "will be used for experimental and training purposes and as a supplementary navigational aid." PAA has sent nine men—all war veterans—to Gander to operate the GCA unit.

Although no plans have yet been made for dispatching GCA units to other line stations, Pan American's 135 captains and first officers flying the transatlantic planes are being checked out on GCA, although the Civil Aeronautics Administration has yet to approve the system for use in scheduled passenger flights.

Approximately 15 percent of the *Clipper* pilots have completed the company's GCA program. The pilots undergo the GCA tests as part of the instrument training program during their six-month refresher courses. Considered as a familiarization with GCA rather than a test, the pilots are only required to follow GCA to within 100 feet of the end of the runway.

In the Pan American GCA training, the pilot being familiarized with the system sits on the left side of the cockpit, with a black cloth draped across the windows, forcing him to steer by the instructions of the GCA operator. Occupying the copilot's position is one of the five instrument flight instructors working under Kenneth W. Raymond, senior instructor. At about six miles from the field, GCA takes over. After spotting the plane on his radar screen, the GCA operator assigns altitudes and gives steering directions, "talking" the plane down until it is low enough to break out under the theoretical overcast so the pilot can easily see to land.

Roig Backs Pan American In Domestic Routes Case

Harold J. Roig, president of Panagra, earlier this month urged approval of the application of Pan American World Airways in the domestic routes case as an essential step in providing a new air link between the eight important South American countries served by Panagra and the principal areas in the United States where traffic to and from those eight countries originates and terminates.

He told Civil Aeronautics Board Examiner William J. Madden, that the proposed service with Panagra planes, contingent upon approval of routes within the United States for PAA, would "supply a link which has long been lacking in the pattern of South American air travel." The Panagra head said that the program, providing one-plane, through-flight service on his company's planes from Buenos Aires up the west coast of South America to Philadelphia, New York, Washington, and Boston, would create a greater volume of business and travel between the South American west coast and the northeast area of the United States. He pointed out that the northeast section of the United States is the principal area of United States-South American business.

"The idea seems to be seriously advanced," Roig said, "that traffic over these domestic routes has already reached its peak, and air service in this area is saturation point; that there is just a limited pool of traffic on which to draw, measured by that now moved by air and surface carriers; and that a new airline must get its traffic by taking it away from those present operators.

"This has not been Panagra's experience nor is it our conception of the role of air transportation. Panagra has had to create air traffic on the routes it serves. We think of air travel in terms of multiples of surface travel, not in terms of fractions of it."

Roig warned that through-flight, foreign-flag air service is going to be provided, since a British line, under the Bermuda Agreement, will soon be running through to New York by extension of the lines that already are operating from London to Buenos Aires and to Santiago, Chile.

Seabee Standard Model Dons Deluxe Features And Sells at $6,000

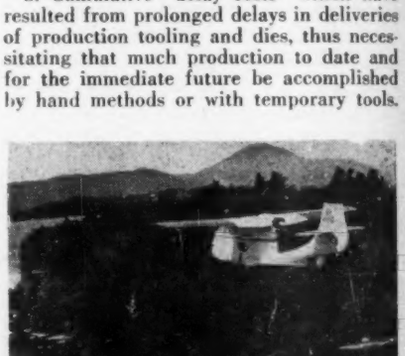
Republic Aviation Corporation has increased the flyaway-Farmingdale price of the *Seabee* to $6,000. It also was announced that the improved model, which will incorporate what formerly were known as deluxe extras (controllable and reversible pitch propeller, and complete cross country instrument panel) would supersede entirely the earlier standard model Republic originally planned to produce.

The company listed three factors which made the new price mandatory at this time:

1. Incorporation of more than four score important engineering changes which have further improved the plane's quality, utility and performance, but all of which have cost money; and decision to comply with the thus far unanimous purchaser preference by including as standard equipment the full complement of features formerly listed as deluxe extras.

2. Price increases, ranging up to and in some instances exceeding 50 percent which Republic is paying both for the materials, parts and equipment going into the all-metal *Seabees*, and for the special heavy machine tooling essential to their assembly line production.

3. Cumulative "delay costs" which have resulted from prolonged delays in deliveries of production tooling and dies, thus necessitating that much production to date and for the immediate future be accomplished by hand methods or with temporary tools.



Republic Seabee

The price decision, Republic officials said, was made only after a complete analysis of production costs and a careful survey of price requirements of suppliers, from whom Republic purchases materials, parts, instruments and other equipment, had given the company no alternative. Similarly, the decision to incorporate into the standard model the principal special features formerly listed as extras, was made in conformity with the fact that, on every one of the *Seabees* delivered up to November 10, the purchaser had specified the Hartzell controllable and reversible propeller, and the full Cross Country complement of sensitive flight instruments. The comparable price formerly was $4,995.

First Canadian Helicopter Is Ready for Trial Flight

The first Canadian-built helicopter, produced by the Engineering Products Company, Montreal, for the Intercity Airlines Company, of the same city, is ready for its test flight. It was designed by Bernard Sznycer and Selma Gottlieb, of New York, and is known as the S.G. Mark VI.

New Foreign Markets Hang on Easing of Restrictive Measures, Wilson States

The creation of new foreign markets by revolutionary expansions in international travel, air express, and air freight emphasizes the need for an "easing of travel and exchange restrictions and a complete revisions of current ideas on limitations of foreign trade," Eugene E. Wilson, chairman of the Aircraft Industries Association, declared at the International Day Dinner held last month in conjunction with the National Aircraft Show in Cleveland. Wilson predicted that the "airplane, as a new revolutionary instrument of international transportation, would open new fields of air travel and air commerce."

Wilson recommended the immediate establishment of a National Air Policy Board to consider among other things, the following requirements for a thriving air commerce:

(1) Adequate international landing facilities.

(2) International development of instruments and standards for air safety.

(3) An easing of travel restrictions.

(4) An easing of exchange restrictions.

(5) Removal of other road blocks to freedom of international trade.

(6) The development of low-cost hotel accommodations for tourists.

Pointing out how international air commerce is bringing a revolution in consumer habits and creating new markets, Wilson said that American imports by air have ranged from Santo Domingo dressed poultry, Chinese hairnets, Brazilian aquarium fish, to valuable Italian floral essence.

"The records for the first eight months of 1946 show a drop in value of air imports from $27 per pound in January to $4.20 in August," he reported, adding that "the rate of increase of air cargo has offset the decrease in value per pound so that the total value for the eight months has increased."

"Just as a travel revolution is a certainty," he said, "so is an expansion of international air express and air freight. Many commodities and luxuries which did not enter into trade at all, or at best limited quantities, because of the time required to reach a market, will appear in quantities when the world's largest markets can be tapped in days or even hours."

Headlines Under the Deadline

According to the Army Air Forces, the Navy Bureau of Aeronautics, and the Civil Aeronautics Administration, tests prove that all-weather flying on the airways is possible with a combination of landing aids now available . . . American Overseas Airlines has restored transatlantic service for Boston, as well as increased all its overseas round trips from 14 to 16 a week . . . Eastern Air Lines has filed a new tariff with the Civil Aeronautics Board, cutting its one-way fare between Miami and San Juan from $72.80 to $48.25, effective the first of the year.

The United States has concluded bilateral air transport agreements with Australia and New Zealand, under which the American services will be operated by Pan American . . . This Winter, the Soviet Union is expected to inaugurate a new air route to the Arctic Circle. The volume of air freight to the far north is expected to treble . . . Peruvian International Airways has filed a registration statement with the Securities and Exchange Commission for 477,122 shares of convertible preferred stock of $7 par value and 238,561 shares of $1 par value common.

The *Journal of Air Law and Commerce*, a quarterly published at Northwestern University, resumes publication next month . . . Central Airlines, of Oklahoma City, has been awarded five new feeder routes, serving Oklahoma, Kansas, and Texas . . . A foreign air carrier permit has been granted to Norwegian Air Lines (DNL), authorizing the airline to engage in transportation between the co-terminal points of Oslo and Stavanger, Norway, and the alternate terminal points of New York and Chicago.

Transocean Air Lines has completed a survey flight to Saigon, Indo China, and Bangkok, Siam . . . The United States airport built at Puerto Cabezas, Nicaragua, during the war, at a cost of over $1,000,000, will be turned over to the Nicaraguan Government . . . The Aircraft Industries Association of America is opposing a single regulatory agency for all forms of transportation.

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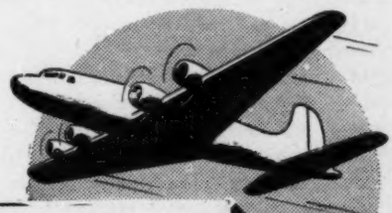
TRANS-PACIFIC FLIGHTS WITH FOUR-ENGINED AIRCRAFT



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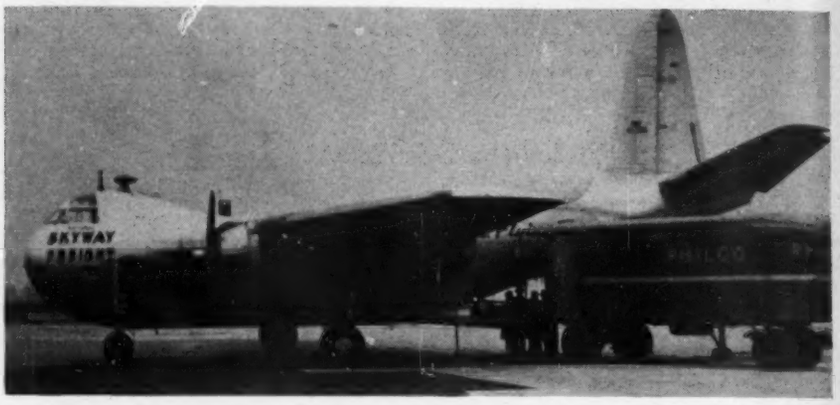
One Year OF AIR FREIGHT

By DANIEL H. ECKER, *Executive Secretary, Aviation Section, New York Board of Trade*

Observations on a new industry after a single year's tremendous growth



RADIOS BY AIR—A Flying Tiger Line Conestoga takes on a load of Philco radios for shipment to key cities in the United States.

IN the early days of the air freight industry when leased C-47s had to be paid for, drawing accounts instead of wages set up for the stockholder operations force, and fuel was purchased in minimum quantities, the GI operators rushed into any area to air-haul anything, anytime, anywhere for whatever rate could be obtained—strictly from hunger.

Sales and traffic staffs scarcely knew the meaning of the term "air potential"—a collective argument which air commerce analysts had had to coin to describe the amount, kind, and value of such commodities as were first thought to be suitable for air transportation from point to point.

As former REA top-notchers and minor airlines' traffic officers were hired away from their old companies, higher salaries and mature ex-GI salesmen came aboard the air freight bandwagon, informal surveys of products, areas, routes, and rates began to take place. And as more ex-GIs, who prior to the war had been railroad freight solicitors, economic analysts, port staff stewards, shipping clerks, traffic managers, motor truck dispatchers, even stock, real estate and insurance salesmen, sought to enter the swelling ranks of the air freight industry, old prewar know-how plus the old American go-getter spirit pulled many an air freight company through a bad month.

When there wasn't freight, one could always fly homing GIs East-West or South-North, or war-rich workers who just had to get away. Relatives, old employers, friends, and a well-wishing public sped many an unscheduled GI airline on its way.

However, into the national operations picture began to appear carefully staffed and well-planned corporations with sufficient cash to hire the needed talent that could develop the new and rapidly growing industry. Excellent examples are Slick Airways, U. S. Airlines, and National Skyway Freight (Flying Tigers)—all of whom have definitely decided from their inception to conduct air freight on a contract basis under the present CAB non-scheduled ruling. Undoubtedly, there are other companies who have remained simonpure in this new transportation industry, but the forementioned are definitely known to be the largest operators today. Slick, it would seem from the record, carries the proportion of air freight in the industry.

The Flying Tigers, U. S., and Slick are handling on an area service conception rather than a route plan—a tremendous quantity of daily air freight as follows:

The Flying Tigers — flying what-have-you, follows the old U. P. trail, Newark or La Guardia to Cleveland, Detroit, Chicago, Omaha, Cheyenne, Reno, Oakland or branching off at Cheyenne to Los Angeles.

U. S. Airlines — with Floridian planter enterprise money led by aviation enthusiast Harry N. Playford, has the shortest run from the vegetable-, fruit- and flower-producing areas of Florida, with side traffic innovations such as Guatemala, Cuba, and New Orleans; northward to New York and Boston; and in season westward to Chicago.

Slick Airways — Southwest-born and supported, still disputes its antiquity with the Tigers, but follows the "border trail"—*i.e.*, San Antonio, Fort Worth, westward via El Paso, San Diego to Los Angeles; eastward to Chicago and Newark.

Curiously, each of these air freight lines soon became "set in their ways" because they took on the peculiar regional aviation tinges that color their respective areas. So marked, that each of the three uses different aircraft designed for war use as cargo carriers. To be historical, the Tigers first used the *Conestoga,* a large payload lifter built for the Navy by the Budd Manufacturing Company of Philadelphia. They fly 13 C-47s and five *Conestogas.* Personnel total 290.

U. S. Airlines employs C-47s—14 of them; number of personnel, 362.

COORDINATION—Fruits and vegetables quickly transferred from a truck to an American Airlines Airfreighter.

Slick grabbed all available C-46s, employing 10 of these. (Payload of a *Commando* is 11,000 pounds.) Four hundred men are on Slick's payroll.

As the non-scheduled air freight carriers struggled for recognition from dubious shippers, a slowly awakening public, and an indifferent United States Department of Commerce, the few experienced traffic men who were enfolded began to realize that their operations lacked that definiteness which only an economic forecast or survey can bring.

In February, 1946, the industry was floundering. The ex-REA, railroad, and motor truck men thought they knew. Could they, as vice-presidents or traffic managers convince pilot-presidents?

Well, some non-scheduled airlines had to learn the hard way—up . . . onward or out! Those pilot-executives who listened to tried, experienced men are today on the rise, because, bulwarked with facts and data, the latter had been reading between times from such illuminating air freight reports as were first being published in 1942 by the Evans Transportation Research. This invaluable service was created through a grant of funds by Colonel Edward S. Evans, president of Evans Products Company of Detroit, and splendidly directed by his old-time friend, Colonel L. H. Brittin, founder and general manager of Northwest Airlines for 12 years.

Colonel Brittin, dean of the air freight industry, is today air commerce consultant to the Department of Commerce, the New York Board of Trade, and collaborator on air commerce for the Department of Agriculture. These initial air cargo reports—sometimes published by the Evans Transportation Research, sometimes in collaboration with the Department of Agriculture, sometimes with the Evans Chair of Air Cargo of Wayne University, Detroit (also founded by Colonel Evans) were then the first so-called "air potential guides" to be made available to the infant air freight industry. Indeed, some air freight lines came into existence as a result of study of these predictions.

Awakening Public

There were other indications that the American business public was becoming aware of the potentialities of this new phase of air transportation. The Aviation Section, New York Board of Trade, Inc. attracted great attention—even during the stirring battle days—by its sponsorship more than two years ago of the first National Air Cargo Packaging and Processing Conference at the Hotel Pennsylvania, which included an extensive exhibit. Its powerful Packaging and Processing Committee made up of all the various container, adhesive, fastener, and processing interests, and sparked by Lyle C. Ray, executive, vice-president of Aviation Packaging Company and later Liquid Envelope, Inc. It was followed by a second national conference.

Fresh from having written 21 different articles, surveys and air potential reports, Colonel Brittin was requested to make the key address of the latter conference. In his address he prophesied that the metropolitan New York area would become the hub of the air freight industry. He showed the great need for an air potential survey of the area. Mindful of his admonitions, the Aviation Section invited the colonel and Evans Transportation Research to undertake such a study. It was begun in November, 1945, but due to the untimely death of Colonel Evans and the illness of Colonel Brittin is was not concluded until April of this year. Forty-eight key industries were studied by a staff of five able investigators. The

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result of these labors appeared on September 20. *Air Potential in the New York Women's Apparel Industry*, produced by Colonel Brittin as director, Bertram Ault as analyst, and Dr. Roger Mayhill as economist.* This was the first report on the long-arduous and expensive New York City air freight survey. It was made available to American business through the timely interest of the Fairchild Aircraft Division, Fairchild Airplane and Engine Company.

In the writer's estimation—and he counts, aviation, rail, steamship, truck, and livery stage traffic in his experience—this is the finest, most, complete blueprint for any transportation service to use for its operations and the most potent means of operations revealed, to any manufacturing industry.

Potent Weapon

With such a potent weapon to influence the economic well-being of the nation, West Coast metropolii such as San Francisco, Los Angeles and Seattle pondered their own air potentials for Eastern loads. Theirs was the harvest of the sea or the lush products of a golden coast to ship to a hungry East willing to pay five cents per pound extra for vitamin-filled or truly fresh perishables.

The air freight industry has come of age. Economists are quoting the daily movement of 300 *tons* a day in and out of New York alone by 70 airlines, scheduled and non-scheduled. How much the industry will mature depends upon, as James A. Wooten, general manager of Contract Cargo Division, American Airlines, recently stated, "The vision of those engaged in promoting air transportation and the expansion of their promotional ideas of entirely new commodities which have never moved by any form of transportation into new markets to be merchandised by new methods."

At the Fourth Annual National Aviation Clinic held in Oklahoma City, the assembly went on record, against the stiff opposition of the established airlines, as recommending to CAB "that air freight carriers be classified as a separate category for the purpose of both safety and economic regulation."

Even with so many well wishers, the air freight industry must stand on its own feet. Gone are the days when a starry-eyed GI could out-talk and high-pressure some prospective shipper to use air freight via his "airtramp" line. There is too much competition nowadays for such sales tactics and burned shippers are fully aware of the disadvantages of such cutthroat competition. So the old well-known standard principles of traffic have to be practiced, learned, or digested, if the whole industry is not to be bogged down by the shipping public's antagonism.

Somehow, somewhere, air freight operators' associations, local chambers of commerce and alert industries having products they believe can be airshipped, must survey their prospective operation areas to learn the actual air potential. All commodities—if one rules out opportunistic and unnatural economic situations—are not air candidates; some items can be air freighted on a natural basis, others cannot economically be transported. But proof of that is needed. For example, Colonel Brittin still has basic studies on drugs, biologicals and pharmaceuticals, graphic arts and luxury goods left over from his New York survey, but an "angel" to be published for the good of the American shipping public. The West Coast chambers of commerce also have data they want released—frank statements of what can and cannot be airhauled.

The railroads first, then the over-the-road motor truckers had to learn what they could depend upon for loads in two directions. This was obtained by solicitors who pooled their knowledge. If the air freight industry wants to keep growing it must find out accurately just what, how much, and when commodities may be air-hauled. In addition, the industry must research and entice other industries to cooperate to learn what new industries it can serve or develop through its medium. A year from now will tell the story of its continuing success.

* Read *What Air Freight Carriers Can Expect From New York's Glamor Industry* beginning in this issue.

50% Cut by TACA in Air Express Rates on Cigars

The reduction of air express commodity rates on cigars by half, between Havana and all Central and South American cities served by TACA Airways, has been placed into effect by the airlines, acording to an announcement made by Ralph W. Starkey, director of transportation.

The lower rates on cigars have been made possible, TACA officials pointed out, due to the increased frequency of flights on its international routes with new and larger DC-3 aircraft, many of which have been converted into all-cargo carriers. Affected by the new reduction are approximately 25 leading trade capitals in 15 Central and South American countries and colonies.

Largest saving listed was that between the Cuban capital and Rio de Janeiro, Brazil, where the rate was slashed from $1.41 per pound to 70½ cents per pound ($3.11 to $1.55½ per kilo) on shipments of 100 pounds or more. Rates to all other cities affected run proportionately lower, however, depending on the standard rates now in effect.

Scandinavia-South America Service is Started by SAS

The Scandinavian Airlines System was scheduled to inaugurate regular passenger and air cargo service from Scandinavia to South America via Africa, on November 30. New Douglas DC-4s, modified to seat 28 passengers comfortably—identical to the aircraft flown by SAS on its North Atlantic route—will be used. The present flight program calls for flights from Stockholm to Rio de Janeiro and Montevideo, via Copenhagen, Paris, Lisbon, Dakar, and Natal every two weeks.

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AIR TRANSPORTATION Books

ONE DAMNED ISLAND AFTER ANOTHER—BY CLIVE HOWARD AND JOE WHITLEY. *(University of North Carolina Press, Chapel Hill, North Carolina; $3.50).* Fast-moving story of the Seventh Air Force which fought in the thick of the Pacific war.

•

WE DROPPED THE A-BOMB—BY MERLE MILLER AND ABE SPITZER. *(Thomas Y. Crowell Company, 432 Fourth Avenue, New York; $2.00).* The eye-witness story of the historic atom bomb operations over Hiroshima and Nagasaki.

•

HOME AWAY FROM HOME—BY JULIA M. H. CARSON. *(Harper and Brothers, 49 East 33 Street, New York; $2.50).* The record of achievement of a great outfit—the United Service Organization—and its contribution to winning the war.

•

THE MONASTERY—BY F. MAJDALANY. *(Houghton Mifflin Company, 432 Fourth Avenue, New York; 148 pages; $2.00).* A gripping story of the unforgettable attack on Monte Cassino. Written by a former officer of the British Army.

•

THE KINGDOM OF FLYING MEN—BY FREDERIC NELSON LITTEN. *(Westminster Press, Witherspoon Building, Philadelphia; 247 pages; $2.00).* Air cargo is the theme of this story for youngsters. A darn good yarn for the young people, and we think you'll get a lot out of it, too.

•

GAS MODELS AND ENGINES—BY WILLIAM WINTER AND WALTER L. SCHRODER. *(Thomas Y. Crowell Company, 432 Fourth Avenue, New York; 183 pages; $3.00).* Complete instructions on how to design, build, and fly gas-propelled model airplanes. Diagrams and plans by H. A. Thomas.

•

AIRCRAFT LAYOUT AND DETAIL DESIGN—BY NEWTON H. ANDERSON. *(McGraw-Hill Book Company, 330 West 42 Street; 437 pages; $4.50).* Second edition of an authoritative book for students in aircraft schools and colleges as well as for detailers in aircraft engineering departments.

HOW TO FLY—Based upon official information of the Civil Aeronautics Administration. *(Progress Press, 2153 Florida Avenue, Washington, D. C.; 56 pages; $1.00).* The title tells the story. Well illustrated.

•

CASEY JONES CYCLOPEDIA OF AVIATION TERMS — COMPILED AND ARRANGED BY HENRY LIONEL WILLIAMS. *(McGraw-Hill Book Company, 330 West 42 Street; 246 pages; $5.00).* Illustrated by 571 photographs, charts, and drawings, this dictionary is one to keep near at hand at all times.

•

BLOOD IN THE STREETS—BY ALBERT C. HICKS. *(Creative Age Press, 11 East 44 Street; 230 pages; $2.75).* The inside story of Rafael Trujillo, president of the Dominican Republic. The introduction is by Quentin Reynolds. Sizzling reading.

•

THE COLORADO—BY FRANK WATERS. *(Rinehart and Company, 232 Madison Avenue, New York; 400 pages; $3.00).* Another in that excellent series of books on rivers of America. Illustrated by Nicolai Fechin.

•

PUBLIC RELATIONS DIRECTORY AND YEARBOOK—*(Public Relations Directory and Yearbook, inc., 427 West 42 Street, New York; 855 pages; $15.00).* Here's the first edition of a book which goes through the public relations field thoroughly. Moulders of public opinion will find this volume valuable.

•

ALL THE BEST IN CUBA—BY SYDNEY CLARK. *(Dodd, Mead and Company, 432 Fourth Avenue, New York; 235 pages; $3.00).* A good travel book written by a professional traveler. You'll like it.

•

HOW TO LIKE AN ENGLISHMAN—BY C. V. R. THOMPSON. *(G. P. Putnam's Sons, 2 West 46 Street, New York; 207 pages; $2.00).* Now that there's more and more air travel to England, it might be a good idea to take Thompson's book along.

•

AMERICAN SAHIB—BY JOHN FREDERICK MUEHL. *(John Day Company, 2 West 45 Street, New York; 242 pages; $3.00).* A revealing book by an American who served with the British Army in India. Should be read.

New York to Santiago In 40 Hours via Panagra

Inaugurating night operations on the west coast of South America, Panagra *Skymasters* are now making flights between New York and Santiago, Chile, in approximately 40 hours.

Previously, the airline had been flying to Lima, but the overnight stop there has been eliminated, as well as the stops at Arequipa and Arica, which will be served with the twin-engine planes on the airline's feeder routes. DC-4s are used on the seven-hour overnight flight from Lima to Santiago.

As part of its postwar development, Panagra has removed overnight stops, thus speeding up traffic along the west coast of South America. The elimination of the Lima overnight stop follows those at Miami and Balboa. Panagra expects to drop the Santiago overnight stop and operate DC-4s to Buenos Aires.

Foreign Traffic Department Set Up by American Express At N. Y. Municipal Airport

A Foreign Traffic Department office has been opened by American Express at the International Air Terminal, LaGuardia Field, to handle all details in connection with booking and processing export air cargo. George H. Doherty, Jr., vice president, who made the announcement, said that R. E. Kostrewski has been named manager.

In addition, the office will undertake customs clearance of incoming shipments by air, and will complete arrangements for delivery to ultimate consignees. Facilities are also available at the air terminal for the sale of travelers cheques and domestic money orders, as well as the purchase and sale to a limited degree of foreign currencies as an accommodation to passengers of international airlines.

HANGAR FLYING

LOCKHEED

The Mechanical Mouth

It used to be like pulling teeth to get under an engine cowling. After a quarter-hour of yanking on rows of fasteners, you took down a truckload of Dural shingles. If you didn't lose or mash any under foot while you worked on the engine, you were lucky.

Now it's as simple as lifting the hood on the family bus. Lockheed engineers have worked out a new mechanical mouth for *Constellation* engines that opens up in two minutes flat. Unclasp and lift two small side panels, pull away the one-piece upper and lower hoods, and the engine's as bare as the tonsils of a six-year old saying "Ah!"

The giant metal jaws stay open obligingly, and completely out of the way. Prying engine medicos get plenty of elbow room and save precious minutes on routine inspections. And the mechanical mouth shuts just as fast. Out at Lockheed, the story goes, they took turns saying "Jack Robinson" in timing it.

Everybody that sees the mechanical mouth says it's just common sense. And it's this kind of common sense that gets all the green lights at Lockheed and keeps refinements in step with aviation progress.

L to L for L

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[TRADE MARK]

LANDING FEES

Scheduled and Non-Scheduled

GREAT FALLS AIRPORT

Great Falls, Montana

The following rates have been established for scheduled operators:

Up to and including 26,000 pounds maximum gross landing weight—first through third schedule per month, $65 each; fourth through sixth schedule per month, $35 each; seventh and all other schedules per month, $25 each.

All planes over 26,000 pounds maximum gross landing weight—$1.00 per month additional for each 1,000 pounds over 26,000-pound base.

LANDING FEES

		Scheduled				Non-Scheduled	
City	Airport	1st Trip per Month	2nd Trip per Month	3rd Trip per Month	Gross Weight (lbs.)	Per Landing	Gross Weight (lbs.)
Akron	Akron	$50.00[5]	$50.00	$50.00	26,000	No charges	.....
Albany	Albany	50.00	25.00	25.00	50,000	Not available	.....
Baltimore	Baltimore[4]	75.00	75.00	75.00	26,000	See footnote[4]	.....
Bellingham	Bellingham	45.00	45.00	45.00	.....	None	.....
Birmingham	Birmingham	100.00	50.00	25.00	.....	Not available	.....
Boston	Logan	100.00	100.00	100.00	.....	Not available	.....
Buffalo	Buffalo	50.00	50.00	50.00	25,000	$1.67	25,000
Chicago	Chicago	200.00	200.00	200.00	25,000	Not available	.....
Cincinnati	Lunken	6.25	6.25	6.25	.....	Not available	.....
Cleveland	Cleveland	150.00	150.00	150.00	.....	7.50[1]	.....
Columbus	Port Columbus	50.00	50.00	50.00	26,000	2.50[7]	.....
Dallas	Love	See footnote[2]	.....	.....	.....	See footnote[2]	.....
Detroit	Detroit	100.00	100.00	100.00	.....	No charges	.....
Great Falls	Great Falls[4]	65.00	65.00	65.00	26,000	Not available	.....
Indianapolis	Weir-Cook[4]	50.00	50.00	37.50	.....	10.00[4]	.....
Jacksonville	Municipal No. 1	See footnote[6]	.....	.....	.....	Not available	.....
Kansas City	Kansas City[4]	50.00	25.00	12.50	26,000	No charges	.....
Long Beach	Long Beach[4]	3.00	3.00	3.00	32,000	3.00	32,000
Los Angeles	Los Angeles	See footnote[3]	.....	.....	25,500	See footnote[3]	25,500
New York	LaGuardia[4]	200.00	200.00	200.00	25,000	20.00	25,000
New York	Idlewild	See footnote[4]	.....	.....	.....	20.00	25,000
Newark	Newark	See footnote[4]	.....	.....	.....	See footnote[4]	.....
St. Louis	Lambert-St.Louis	100.00	100.00	100.00	.....	No charges	.....
Wash., D.C.	National	.....	.....	.....	.....	2.50	.....

[1] If cargo is loaded, the fee is $10.
[2] 8c per 1,000 lbs.
[3] $10 per departure per cargo plane. Consult article for additional information.
[4] Consult article for detailed information.
[5] Minimum charge of $200.
[6] $1 per 1,000 lbs. per month for each daily scheduled flight.
[7] Charge doubled if new load is taken on.

Economics Not Glamor

(*Continued from page 8*)

So much for the technical aspects of air freight as far as the perishable shipping business is concerned. But the general picture of air freight as far as its place in the American economic scene is concerned is now beginning to clear. As the newest link in America's great transportation system, it is a boon to many kinds of shippers. It delivers cut flowers in hours instead of days. It ships dresses on the hanger, saving costs of cleaning, packaging, etc. It ships highly perishable Maine lobsters and other seafood overnight, giving inlanders, in some instance, their first taste of fresh, salt water fish. It speeds vaccines and serums thousands of miles without deterioration. It brings certain fruits and vegetables harvested one afternoon to dining tables the next day—and at the peak of their rich, ripe flavor. It flies news publications hot off the presses so that readers get the news virtually before the ink is dry. It gives merchants the latest styles from fashion centers the morning after they are shown in the salons of New York and Hollywood. It hauls—at comparable costs—all kinds of machine parts and merchandise in hours where the fastest surface transportation takes days.

Some young air freight lines today are suffering from but one thing—*growing pains.* The more substantial ones actually are turning away business. Problems of space and flight control—like with the old, established passenger lines—are troublesome. A number of them are awaiting only the security which comes through adequate governmental regulation. Slick Airways, for instance, has applied to the Civil Aeronautics Board for certification as a common carrier. As soon as it learns that it is not to be legislated out of business, it will expand, get more equipment and satisfy the growing demand for more flexibility and more speed in this country's transportation system.

Joint announcement by **Pan American World Airways** and **W. R. Grace and Company** disclosed that under agreements concluded between these companies direct daily through service by planes of the jointly owned **Panagra,** between continental United States and Buenos Aires via the west coast of South America, will be inaugurated, providing CAB approves.

Representing Club Argentino de Planeadores, of Buenos Aires, **Alfredo Finochietti** is in the United States for an over-all study of American aeronautics, particularly gliding.

Eastern Air Lines has filed with the CAB an application for approval to amend its certificate to permit alteration of EAL's present Miami-New Orleans and Miami-Jacksonville routes to include the opening of service into four additional Florida cities: Gainesville, Ocala, Panama City, and Pensacola.

Air France and **Lockheed Aircraft Service,** a division of the Lockheed Aircraft Corporation, have entered into a contract providing maintenance and overhaul of the airline's fleet of 13 *Constellations* and the training of its flight and ground crews.

Bendix Aviation Corporation has decided to proceed no further with an experimental program from which had evolved the design and production of prototypes of two personal planes. It will "stick to its knitting as a producer of those important parts which it has long supplied to the industry, and will place added emphasis on similar equipment for the growing personal plane market."

Newest puchasers of the *Constellation* are **Aer Rianta Teoranta,** Dublin, Eire, and **Qantas Empire Airways,** Australia. **KLM** is reported to have placed a reorder for seven additional *Connies.*

IT'S AN *Air* WORLD

[REG. U. S. PAT. OFF.]

By L. A. GOLDSMITH, *Economic Analyst,* AIR TRANSPORTATION

The writer pursues the subject of whether the tax of 15 percent on travel out of this country actually coincides with the letter of the Constitution.

THE Constitution of the United States recognized the extreme importance of export by specifically including a provision to prevent hampering it. The founding fathers showed their consummate foresight and vision in this connection. Even before this country had officially made its entry into the then existing family of nations, the framers of the Constitution knew what it would have meant to their infant country if anyone had tried to strangle its about-to-be-born foreign trade through any undue restrictions or obstructions of exports.

Therefore in framing the Constitution, it was clearly stated (Section 9, Item 5) that "no tax or duty shall be laid on any articles exported from any state."

The writer believes that this constitutional prohibition on taxing exports applies to the present 15 percent tax levied on the amounts paid for transportation to points abroad, and therefore is unconstitutional when such transportation tax covers travel outside the United States by air, sea, rail, or motor vehicle, for any purpose whatsoever. The present wording of the Internal Revenue Code regarding this tax reads (author's italics):

Is Tax Legal?

"Section 3469 — Transportation of Persons, etc.—(a) Transportation— There shall be imposed on the amount paid *within* the United States on or after April 1, 1944 for the transportation, on or after such effective date, of persons by rail, motor vehicle, water or air, *within or without* the United States, a tax equal to 15 per centum of the amount so paid."

The writer's belief that the 15 percent transportation tax when applied to travel abroad is unconstitutional, is based on previous experience; the Government is known to have taxed exports erroneously and unconstitutionally. This actually happened during World War I, when Congress levied special luxury taxes as a war measure. No mention was made at the time the measure was introduced that exports were exempt from such taxes under the provisions of the Constitution.

Under such circumstances many companies manufacturing automobiles, pianos, furs, and other luxury items, proceeded to charge their export customers with this additional tax. These levies continued to be paid on exports until a certain export manager conferred with the legal department of his company, and brought to its attention the constitutional prohibition already quoted on the subject of "no taxes on exports."

At first the lawyers were inclined to ridicule the idea that any layman should question the constitutional legality of the luxury tax on exports. They changed their tune, however, when they were confronted with the Constitution and its clear-cut provision that "no tax or duty shall be laid on any articles exported from any State."

As a result, the company issued instructions to make no tax charges on

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its export shipments (which were considerable), and so advised the Government. The Internal Revenue officials were decidedly irate, but they were completely nonplussed when brought face-to-face with the official ruling. From that time on it was stated officially that the luxury war tax did not apply to exports, in accordance with the ruling laid down by the Constitution. It would seem that Thomas Jefferson and Benjamin Franklin and their fellow framers of the Constitution knew their stuff, especially when one considers that 1½ centuries ago our exports were insignificant.

As never before businessmen are going abroad in search of export and import markets. In many cases they may be said to commute when traveling by air overnight to Europe; a few hours from Latin America, and from one to three days to anywhere else on this shrinking globe. The individual travel expenditure of many firms runs into thousands of dollars annually. An additional 15 percent for tax amounts to a considerable sum.

It is also quite easy to avoid paying this additional tax legitimately. Any traveler can choose to buy transportation to the nearest point outside the United States, and from that point on purchase additional transportation anywhere without the 15 percent tax! Who is the loser?

If the writer's belief is correct, the transportation tax is definitely unconstitutional and illegal when applied to foreign travel. Think what that means in possible retroactive refunds to people who have paid these taxes since April 1, 1944.

Pleasure travel is another story, but the tax would be just as unconstitutional for any kind of foreign travel. In fact, personal travel in peacetime reached far greater proportions than business travel. The general public is beginning to understand that when our travel expenditures abroad are translated into invisible imports the resulting banking credits are available as payments for our exports.

It is well known that the Government and other sources have been making estimates of our travel expenditures abroad, transportation included. These estimates reach some $1,500,000,000 by 1950. Of that huge sum it is further estimated that possibly $1,000,000,000 might be spent as purchases made abroad or paid out to foreign carriers by American travelers.

That billion, when converted into invisible imports, is a tidy sum towards balancing our international payments. In the long run, these travel expenditures, resulting in a great increase in our invisible imports, are a delightfully painless procedure in accomplishing that hitherto thankless task of boosting our imports to balance our exports.

Why should the United States Government try to obstruct this great necessity for increasing our imports? On one hand the Government imposes a 15 percent transportation tax, and on the other it appropriates millions of dollars for our State and Commerce Departments to create new and up-to-date methods for increasing exports and imports. It is not a case of the left hand not knowing what the right hand is doing? Does that make sense? It certainly does not make dollars and cents, because if our pleasure travelers had the equivalent of the tax money to spend abroad, it would add up to $225,000,000! (This sum is 15 percent of the estimated billion likely to be spent by American citizens abroad in 1950.) Two hundred and twenty-five million dollars would be quite impressive on the credit side of our international balance of payments.

Nearly a quarter-billion dollars for the purchase of additional exports from the United States is particularly important to us now when so many countries are tying up more and more allocations of their precious dollar exchange. The United States dollar exchange is far too limited in most countries to meet the purchase needs of the people, much less their desires and overall demands for American products. Those extra millions would help considerably.

But, say the doubting Thomases, if all this is so, why has not anybody raised a big squawk before this?

For one thing, someone always has to start a squawk, just as in the World War I case. At that time the writer had personal first-hand information on the subject, having been that "someone" who called the Government's attention to the fact that it had been taxing exports unconstitutionally. The writer may be slipping up this time, but why not prod the Government again? It could be that it is just as wrong about these taxes on export travel, as it is in taxing exports erroneously during World War I. As the Latin Americans say, *"Quien sabe?"*

UNITED AND AMERICAN RECEIVE FIRST DC-6s

First Douglas DC-6s, five-mile-a-minute transport which will cut coast-to-coast flying time to 8½ hours, have been received by United Airlines (shown above) and American Airlines. With a nonstop cruising range of 2,700 miles, the huge plane will seat from 52 to 58 passengers, plus 5,000 pounds of cargo. The planes are carrying an NX license for final testing and personnel training. They are expected to be put into commercial operation early next year.

BOAC Speed Mark

The British Overseas Airways Corporation is claiming a new speed record for a direct flight from New York to Shannon in eight hours and 32 minutes. The trip was made in a *Speedbird Bristol II.*

U. S.-India Agreement

The United States and India have signed a civil aviation agreement which makes possible the operation of two round-the-world services by Pan American and Trans World.

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LEGAL NOTES *on Air Transportation*

By GEORGE BOOCHEVER

Chairman of the Legal Committee and General Counsel to the Aviation Section, New York Board of Trade

THE model Municipal Airports Act has recently been revised, with the cooperation of the Council of State Governments, the National Association of State Aviation Officials and the Civil Aeronautics Administration. In connection with the presentation of the current revision, an interpretive statement was issued, as follows:

"The Municipal Airports Act is sponsored by the National Association of State Aviation Officials and approved by the Civil Aeronautics Administration. It is a redraft of the State Airports Act or Revised Uniform Airports Act adopted and recommended to the State legislatures by the National Association of State Aviation Officials in November, 1944. The revisions are designed to clarify and strengthen the earlier draft.

"The general purpose of the Municipal Airports Act is to provide the States with suggested legislation which will authorize counties, cities, towns, villages and similar political subdivisions to establish, acquire, develop, and operate airports and other air navigation facilities, and to obtain the full benefit of financial assistance made available by the Federal Government under the Federal Airport Act (Public Law 377, 79th Congress, approved May 13, 1946) as well as assistance from their respective State governments and other sources. Such authority may be exercised by a political subdivision independently, or jointly with other political subdivisions, thereby enabling two or more cities, towns, counties, and other political subdivisions jointly to establish, acquire, develop, and operate an airport or airports for their joint or common use.

"The Act grants to political subdivisions all general powers necessary to accomplish the purposes authorized, and in addition makes certain specific grants of powers relating to such matters as acquisition of property by eminent domain proceedings, disposal of property, appropriation of revenues and issuance of bonds. It is recommended that State legislatures use the suggested Municipal Airports Act either in its entirety, repealing existing statutes in conflict therewith, or as a guide in amending or supplementing existing legislation."

British Plane Flying Soon

Short Brothers first postwar amphibian aircraft, the *Sealand*, is expected to take to the air for the first time in the Spring of 1947. It is designed for feeder operations, charter flights, and private business transport.

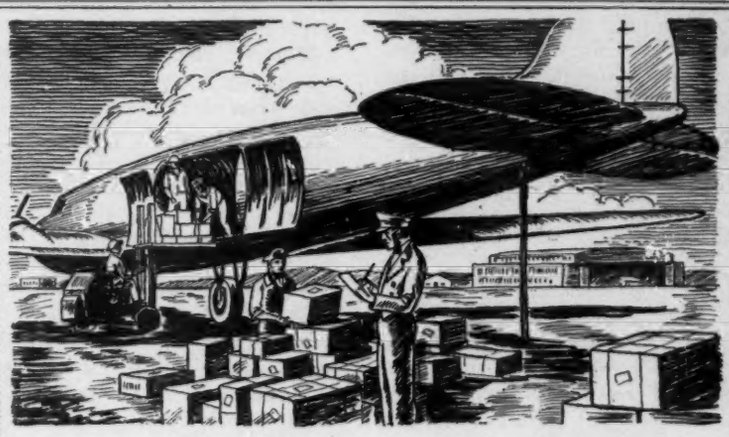
Anglo-Brazilian Pact

The British and Brazilian Governments have entered into a bilateral air accord which grants reciprocal facilities in each other's territories.

Curtiss-Wright CW-32 Will Transport 12-Ton Payload

A four-motored cargoplane, capable of carrying 12-ton loads for a distance of 1,500 miles, is being developed by the Airplane Division of the Curtiss-Wright Corporation. To be known as the CW-32, the plane will have a cruising speed of 270 miles an hour at 25,000 feet, and has been designed to operate at a cost of less than five cents a ton-mile. Still on the drawing boards, a prototype is expected to be ready in little more than a year.

It is reported that features of the craft will include pressurized pilot's cabin and a low-level loading floor 45 inches from the ground. The plane can be built with a tail opening arrangement by which the whole aft-end of the fuselage may be raised.



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AIRDOM

By Richard Malkin

(Trade Mark)

A NEW KIND OF PIONEER

NO one denies that air cargo packaging is an integral part of the air transportation of goods. But there's another phase of packaging which somehow has escaped the notice of aviation publicists: light-weight stationery for air mail. And in this connection there's some interesting historical background concerning one, Mike Cohen, who is an official of the Agency Paper Company.

A year or two before the war, Cohen was saying words to this effect:

"Mark my words. They day is coming soon when *all* mail will travel by air, and it'll be silly to write your correspondence on heavy bond. Why spend more money for stamps when you'll be able to say more for less? The answer is light-weight paper."

But his customers kidded the pants off him. They were suffering from mass myopia at the time. He was selling a small quantity of light-weight envelopes; it wasn't until 1939, however, that he decided definitely to pioneer light-weight sheets for correspondence via air mail.

Once the idea crystallized in Cohen's mind, he swung into action. The paper mill was contacted and a sample order placed for 500 sheets which would would weigh 1¼ pounds. (Twenty sheets and one envelope weighed a single ounce.)

The peddling of air mail stationery began. It was a tough grind convincing tough-minded stationers, but little by little they started to nibble—in small quantities, of course. Then came combination packets—paper and envelopes—and in 1940, while the air mail stationery sales were counted as the small end of Agency's business, the total was "fairly reasonable." Came 1941, and business continued its upward climb. With 1942 came all-out acceptance by commerce and industry of the money-saving features of air mail stationery (not to mention the public's tremendous utilization of light-weight paper and envelopes in keeping touch with millions of men and women in the armed services in all parts of the world). That year Agency saw its new business shoot to the top, with air mail stationery accounting for the major part of its sales. It has continued in the topnotch position right through 1946.

The reduction of air mail rates, both in the domestic and international field, no doubt will have a salutary effect on this type of business. What with economy in cost and transportation time, as well as the general acceptance by business and public, "specialized air mail packaging" will continue to pay off on an even grander scale.

The Agency Paper Company, which was the first to put light-weight paper and envelopes in boxed stationery, is placing increasing emphasis on this form of correspondence. It is Cohen's contention that the oft-considered sign of dignity of heavier paper is gone; that the new light-weight paper will influence all stationery. In this respect, he says, the foreign countries have been ahead of us for years.

These days traveling light will get you a long way. The same holds true for writing light. Ask Mike Cohen; he knows.

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★ EXECUTIVE ★

A. PAUL FONDA, named vice-president in charge of operations for the Fairchild Aircraft Division, Fairchild Engine and Airplane Corporation. A veteran of nearly five years with the Army Air Forces, he was formerly associated with the Riddle Aviation Company. Before the war Fonda directed short wave and special events broadcasts for the Columbia Broadcasting System in Kansas City, Missouri.

R. H. GLASSLEY, appointed executive vice president-operations of Puget Pacific Planes, Inc. He comes to the company from a similar position with Columbia Aircraft Industries, Portland, Oregon.

RICHARD WAGNER, president of The Chicago Corporation, named to the board of directors of Capital Airlines-PCA. Wagner also serves on the boards of eight other firms. During the war he served as chairman of the Business Division, Chicago Community and War Fund.

T. J. DUNNION, former vice president and treasurer of American Airlines, appointed assistant to President Sigmund Janas of Colonial Airlines. During the war, he was in charge of all procurement for the Glenn L. Martin Company.

W. H. MAXWELL, named assistant to the vice president-Eastern operations of United Air Lines. He has been with the company for 19 years.

★ ADVERTISING ★ PUBLIC RELATIONS

BEN G. WRIGHT, appointed director of public relations of American Overseas Airlines. A former director of the Michigan Tourist Commission, he entered the armed forces in 1942, and, after serving in AAF headquarters in Washington, was assigned to the advanced headquarters of the Ninth Air Force where he was in charge of the war correspondents' press camp. He also served as chief PRO in the combat headquarters of General Hoyt S. Vandenberg.

KENNETH E. ALLEN, who has joined Western Air Lines as its news department director. Included in his 13 years' experience in the newspaper and publicity field, are 1½ years as *American Aviation's* managing editor, several years in editorial posts in Colorado and New Mexico, publicity director for the New Mexico State Tourist Bureau, and director of public relations of Continental Air Lines.

JOHN B. GOODMAN, recently returned from the Navy in which he served as commander, appointed assistant to United Air Lines' publicity manager. Prior to the war he was public relations director for the National Aeronautics Association.

G. T. KELLOGG, newly appointed district publicity representative for United Air Lines at Washington. He has a background of 16 years' experience in newspaper and publicity work.

★ TRAFFIC ★

T. B. TRULOCK, named city manager in Montgomery, Alabama, for Eastern Air Lines. He has been with EAL since 1935, and during the war served with the AAF. He has held city managerships at Atlanta and New Orleans.

HARRY B. DALGAARD, former major in the United States Army's Intelligence Service, named traffic officer for American Overseas Airlines in Stockholm.

★ CARGO ★

EDWARD J. MURPHY, appointed regional manager in New York for Phalanx Air Freight, Inc., agents for the Flying Tiger Line. Formerly New York traffic manager for TACA, Murphy began his career with Pan American Airways, serving as station manager in PAA's Africa-Orient Division at Cairo, Khartoum, and Miami.

EARLE W. DEACON, now serving as district manager at Chicago for Willis Air Service. A veteran of the United States Navy Air Corps, he will direct all air freight operations in the Chicago area.

★ OPERATIONS ★

CAPTAIN TROW SEBREE, named director of operations for Capital Airlines-PCA. A veteran pilot he has logged nearly 15,000 hours with the airline. He formerly was district general manager for Capital in the New York area.

CAPTAIN CARL RACH, former chief pilot, elevated to the post of director of flight operations for Colonial Airlines. A graduate of Columbia University where he was outstanding as an athletic star, he joined Colonial in 1940 after having worked in the Ford Motor Corporation's flight test department and for Trans-Air Transportation Company.

E. W. WIGGINS, JR., appointed assistant operations manager of Wiggins Airways. He is a Navy veteran, and has had prewar experience with W. R. Grace and Company and Panagra.

★ SALES ★

EDWIN A. WARREN, named manager of cargo airplane sales for the Glenn L. Martin Company. Warren is a former vice president of Slick Airways and holds a mechanical engineering degree. He is a former TWA pilot, and worked with other corporations before coming to Slick.

GEORGE STREHLKE, appointed district sales manager of Pan American's Chicago district sales office. He formerly served as assistant sales manager of the Latin American Division.

CHARLES F. WICKS, JR., appointed district sales manager in Rochester for Capital Airlines. He joined the airline a year ago.

JOHN B. SHALLENBERGER, named Washington foreign sales representative for the Douglas Aircraft Company. He became connected with the company in 1940 before serving with the Marine Corps.

Paul Fonda | Ben G. Wright | Kenneth E. Allen | Edward J. Murphy | Trow Sebree | Carl Rach | Edward A. Warre

Beattie, Niles, Wood in New Braniff Posts

A double-barreled announcement by Charles E. Beard, vice president of Braniff International Airways revealed the creation of a Latin American Traffic Division and revision of the airline's domestic traffic organization.

W. R. Beattie has been named to the newly created post of general traffic manager, Latin American Division. He will be based in Dallas until South American headquarters are established. For the airline's routes in the United States, Paul D. Niles, sales promotion manager, has been appointed general traffic manager, Domestic Division. Douglass Wood, formerly directing the traffic activities of the Central Division, will succeed Beattie as manager—agency, interline, and foreign sales.

Preliminary work for the creation and development of traffic activities over Braniff's Latin routes was completed by Beattie during a recent 18,000-mile survey flight through the 11 South American countries from which he, Beard, and other company officials have just returned. He will also have charge of the training and assignment of traffic personnel for the international division.

Inauguration of service over the 7,700 miles of routes granted to Braniff by the Civil Aeronautics Board last Spring is now pending completion of arrangements with the individual countries.

As traffic manager of the airline's 32-city domestic system, Niles will supervise the air mail and cargo, reservation, schedules and tariffs, passenger service and agency, interline and foreign sales sections in addition to directing the three traffic divisions of the company. Directing Braniff's activities with 500 travel bureaus and agencies in Mexico, Canada, and the United States, and coordinating the company's business with other airlines will be among the duties of Wood in his new position. The handling of foreign sales in the promotion of international traffic from the United States will also be his responsibility.

W. R. Beattie

Paul D. Niles

Douglass Wood

New Orleans-Havana Rate On Air Express is Reduced 12¢

A reduction in the international air express rate between New Orleans and Havana, from 33 cents to 21 cents per pound was announced by the Air Express Division of Railway Express Agency. The new rates are applicable to shipments flying over Chicago and Southern Air Lines. It was also reported that air express service via C&S will shortly be inaugurated to points beyond Havana, with extensions as far as San Juan.

D18S Beechcrafts Bought by Brazil

The Export Sales Department of the Beech Aircraft Corporation reports the sale of a number of twin-engine planes to the Brazilian Government, which, with spare parts commitments, made the dollar total several times larger than any single order for Beechcrafts received since the war. The Beechcrafts included in the Brazilian order are all new D18S models, the group being divided into officer transports of the C-45 type and navigation trainers similar to the AT-7.

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On the NON-SCHEDULED *Front*

The new year will open with a bang when the CAB's proposed revisions of Section 292.1 of the Economic Regulations come up for a hearing

THE setting apart of air freight operators from other non-scheduled operators flying passengers or passengers and cargo is contained in a new proposal of the Civil Aeronautics Board, which would permit the cargo lines to operate temporarily on a scheduled common carrier basis.

If the plan goes through—the hearings begin January 6—air freight operators with pending route applications will be able to compete fully with the certificated airlines until 60 days after certification is granted or denied by the Board. Airline officials are not expected to take this surprising step without strong opposition.

As to Docket 681, *et al*, air freight forwarders and consolidators (referred to in the proposed revision of Section 292.1 of the Economic Regulations as "non-certificated indirect air cargo carriers") would be permitted to operate with all air carriers—certificated and non-certificated, until 60 days after the CAB arrives at a decision in the case affecting them.

Special attention is directed to the explanatory statement and text of the proposed revision of Section 292.1, which, because of their extreme importance, follow in full:

EXPLANATORY STATEMENT

The following proposed regulation is concerned with the economic regulation of air carriers which do not hold a certificate of public convenience and necessity issued by the Civil Aeronautics Board and which, accordingly, are referred to as "non-certificated air carriers." The issuance of an air carrier operating certificate does not constitute an air carrier a "certificated air carrier," nor does any other kind of certificate except a certificate of public convenience and necessity as provided for in section 401 of the Act. For information concerning applicable "safety" regulations, reference must be made to Part 42 of the Civil Air Regulations. The economic regulation hereinafter set forth below has not yet been adopted by the Board, but is being circulated to interested persons for consideration and comment.

In order to facilitate a general understanding of some of the principal features of the proposed revision, and for that limited purpose only, the following summary is offered:

Non-Certificated Irregular Air Carriers: Non-Certificated Irregular Air Carriers ar non-certificated air carriers directly engaged in the air transportation of persons and property, and are divided into two groups, *Group I* and *Group II*, according to a weight classification, with exemptions for Group II being more extensive than those for Group I. Non-certificated Irregular Air Carriers (including both groups) may engage in the interstate and overseas air transportation of both persons and property under prescribed exemptions and subpect to certain conditions. Of particular importance is the requirement that such carriers are exempted by this regulation only if they do *not* provide or offer regular or reasonably regular air transportation between designated points. In other words, in order for these carriers to obtain the benefit of these exemptions, their air transportation must be of such irregular character as to avoid the establishment or offering of a reasonably consistent pattern of operations between any two points. For a complete discussion of the meaning which the Board attaches to the words "regularly or with a reasonable degree of regularity," reference is made to the Board's original opinion in Docket No. 1501—*Investigation of Nonscheduled Air Services*, dated May 17, 1946.

Non-Certificated Air Cargo Carriers: Non-Certificated Air Cargo Carriers are non-certificated air carriers directly engaged in the air transportation of property only and may engage in the interstate, overseas and foreign air transportation of property under prescribed exceptions and subject to certain conditions. There is no limitation as to the routes over which such transportation may be performed, or as to the regularity of performance.

The exemption under which the interstate or overseas air transportation of property only is authorized shall remain effective and valid as to any particular carrier only until such time as the Board shall have made final disposition of all applications requesting authority to engage in such air transportation of property only which shall have been filed with the Board by that carrier prior to a specified date. With respect to the foreign air transportation of property only the exemptions under which such air transportation is authorized shall be effective and valid as to any particular carrier until the Board has finally disposed of one application filed by that carrier for a certificate authorizing the foreign air transportation of property only or until such time thereafter as the Board shall indicate in its order disposing of such application. It will be noted that in this instance there is no time limitation placed upon the filing of an application; nevertheless, such an application must be filed prior to engaging in such air transportation.

Non-Certificated Indirect Air Cargo Carriers: Non-Certificated Indirect Air Cargo Carriers are non-certificated air carriers indirectly engaged in the air transportation of property only (such as air freight forwarders) and may engage indirectly in the interstate, overseas and foreign air transportation of property under prescribed exemptions and subject to certain conditions. There is no limitation as to the points which may be served, or as to the regularity of such service, and such forwarding activities may be conducted in conjunction with certificated air carriers or non-certificated air carriers or both. The exemption under which such transportation is authorized shall be effective and valid only until such time as the Board shall have made final disposition of the so-called *Freight Forwarder Case*, Docket No. 681, *et al.*

Letters of Temporary Authority: The exemptions provided for each class of air carrier are not operative as to individual carriers within such class except as provided for in the provisions of the regulation dealing with Letters of Temporary Authority. Particular attention is therefore directed to such provisions. A Letter of Temporary Authority constitutes a form of operating authority and, except as specially provided, no non-certificated air carrier may engage in any air transportation without such a Letter.

The regulation is not intended to prevent an operator from holding Letters of Temporary Authority for operations in more than one class. Thus, for example, it is possible for a non-certificated air carrier to hold simultaneously one Letter of Temporary Authority as a Non-Certificated Irregular Air Carrier and another Letter of Temporary Authority as a Non-Certificated Air Cargo Carrier.

TEXT OF PROPOSED REVISION

(a) *Applicability of Regulation.* Except as hereinafter provided, this section shall apply only to all air carriers not authorized by certificate of public convenience and necessity to engage in air transportation and whose character of service places such air carriers within one of the classes of air carriers hereinafter established and defined; and any other non-certificated air carrier which engages, directly or indirectly, in air transportation shall be deemed to be in violation of the Civil Aeronautics Act of 1938, as amended; except that this regulation shall be inapplicable to Alaskan Air Carriers, to operations within Alaska, and to particular non-certificated air carriers engaging in air transportation pursuant to special or individual exemptions by the Board.

(b) *Classification.* For the purpose of this regulation and any rules and regulations issued pursuant hereto, and in order to prescribe exemptions appropriate to the character of operations engaged in, the following classes of non-certificated air carriers are hereby established:

(1) *Non-certificated Irregular Air Carriers*, further subdivided and subclassified as either: (i) *Group I*, or
(ii) *Group II*.

(2) *Non-certificated Air Cargo Carriers.*

(3) *Non-certificated Indirect Air Cargo Carriers.*

(c) *Definitions.*

(1) *Non-certificated Irregular Air Car-*

riers. Non-certificated Irregular Air Carriers shall be defined to mean any non-certificated air carrier which directly engages in interstate or overseas air transportation of persons and property and which does not hold out to the public, expressly or by a course of conduct, that it operates one or more aircraft between designated points regularly or with a reasonable degree of regularity upon which aircraft it accepts for transportation, for compensation or hire, such members of the public as apply therefor or such express or other property as the public offers. Within the meaning of this definition a "point" shall mean any airport or place where aircraft may be landed or taken-off, and any area within a 25-mile radius of such airport or place.

(2) *Non-certificated Irregular Air Carriers*—Group I. Non-certificated Irregular Air Carriers—Group I shall be defined to mean any Non-certificated Irregular Air Carrier which utilizes in its air transportation services any single aircraft unit having an allowable gross take-off weight in excess of 6,000 pounds, or five or more aircraft units having an aggregate allowable gross take-off weight in excess of 25,000 pounds.

(3) *Non-certificated Irregular Air Carriers*—Group II. Non-certificated Irregular Air Carriers—Group II shall be defined to mean any Non-certificated Irregular Air Carrier not falling within the definition of the Non-certificated Irregular Air Carriers—Group I.

(4) *Non-certificated Air Cargo Carriers.* Non-certificated Air Cargo Carriers shall be defined to mean (i) any non-certificated air carrier which directly engages in interstate or overseas air transportation of property only which shall have filed with the Board prior to a date 30 days after the effective date of this section an application for a certificate of public convenience and necessity authorizing interstate or overseas air transportation of property only, and (ii) any air carrier which directly engages in foreign air transportation of property only which shall have filed with the Board an application for a certificate of public convenience and necessity authorizing foreign air transportation of property only and which at the time of such filing did not hold a certificate of public convenience and necessity.

(5) *Non-certificated Indirect Air Cargo Carriers.* Non-certificated Indirect Air Cargo Carriers shall be defined to mean any non-certificated air carrier which indirectly engages in interstate, overseas or foreign air transportation of property only.

(d) *Exemptions.*

(1) *Non-certificated Irregular Air Carriers—Group I.* Non-certificated Irregular Air Carriers—Group I shall be exempt, subject to the conditions and requirements hereinafter set forth, and only in respect of operations of a nature embraced within the definition set forth in subparagraph (c) (1) hereinabove, from the following provisions of Title IV of the Civil Aeronautics Act of 1938, as amended:

(i) Section 401 (Certificate of Public Convenience and Necessity); except the provisions of subsection 401(1) (Compliance with Labor Legislation);

(ii) Subsection 404(a) (Carrier's Duty, etc);

(iii) Section 405 (Transportation of Mail);

(iv) Section 406 (Rates for Transportation of Mail);

(v) Section 408 (Consolidation, Merger, and Acquisition of Control); only in so far as said section would otherwise make it unlawful, without prior approval by the Board, (*a*) for any such air carrier or any person controlling any such air carrier to purchase, lease, or contract to operate the properties, or any substantial part thereof, of another Non-certificated Irregular Air Carrier, (*b*) for any such air carrier to consolidate or merge with another Non-certificated Irregular Air Carrier, and (*c*) for any such air carrier or any person controlling any such air carrier to acquire control of another Non-certificated Irregular Air Carrier;

(vi) Subsection 409(a) (Interlocking Relationships); only in so far as said section would otherwise make it unlawful, without prior approval by the Board, (*a*) for any such air carrier to have and retain an officer or director who is an officer, director, or member, or who as a stockholder holds a controlling interest, in another Non-certificated Irregular Air Carrier, (*b*) for any such air carrier, knowingly and willfully, to have and retain an officer or director who has a representative or nominee who represents such officer or director as an officer, director, or member, or as a stockholder holding a controlling interest, in another Non-certificated Irregular Air Carrier; and, in addition, to the extent that any officer or director of a Group I Non-certificated Irregular Air Carrier would, without prior approval by the Board, be in violation of any provision of subsection 409(a)(3), by reason of any interlocking relationship with another Non-certificated Irregular Air Carrier, such relationship is hereby approved; *Provided*, That if an application for approval of an interlocking relationship in existence on the effective date of this section and involving an officer, director, or member of, or stockholder holding a controling interest in, any Group I Non-certificated Irregular Air Carrier is filed with the Board prior to a date 30 days after the effective date of this section, such air carrier may retain such officer, director, member, or stockholder pending final disposition by the Board of said application;

(vii) Section 412 (Pooling and Other Agreements); only in so far as said section would otherwise require any such air carrier to file with the Board a copy or memorandum of certain contracts or agreements, or of modifications or cancellations thereof, between such air carrier and any other Non-certificated Irregular Air Carrier; *Provided*, However, that the exemption granted in this subparagraph shall not apply to contracts or agreements for pooling or apportioning earnings, losses, traffic, service, or equipment.

(2) *Non-certificated Irregular Air Carriers—Group II.* Non-certificated Irregular Air Carriers—Group II shall be exempt, subject to conditions and requirements hereinafter set forth, and only in respect of operations of a nature embraced within the definition set forth in subparagraph (c)(1) hereinabove, from the following provisions of, and requirements pursuant to, Title IV of the Civil Aeronautics Act of 1938, as amended:

(i) Section 401 (Certificate of Public Convenience and Necessity); except the provisions of subsection 401(1) (Compliance with Labor Legislation);

(ii) Section 403 (Tariffs);

(iii) Section 404 (Rates);

(iv) Section 405 (Transportation of Mail);

(v) Section 406 (Rates for Transportation of Mail);

(vi) Subsection 407(b) (Disclosure of Stock Ownership);

(vii) Subsection 407(c) (Disclosure of Stock Ownership by Officer or Director);

(viii) Section 408 (Consolidation, Merger, and Acquisition of Control);

(ix) Subsection 409(a) (Interlocking Relationships); and, in addition, to the extent that any officer or director of any such air carrier would, without prior approval of the Board, be in violation of any provision of subsection 409(a)(3) or subsection 409 (a)(6), such relationship is hereby approved;

(x) Section 410 (Loans and Financial Aid);

(xi) Section 412 (Pooling and Other Agreements);

(xii) Certain reporting requirements. No provision of any rule, regulation, term, condition or limitation prescribed pursuant to subsection 407(a) (Filing of Reports) shall be applicable to any Group II Non-certificated Irregular Air Carrier unless such rule, regulation, term, condition or limitation expressly provides that such provision is to be applicable to such carriers;

(xiii) Certain accounting and recording requirements. No provision of any rule, regulation, term; condition or limitation prescribed pursuant to subsection 407(d) (Form of Accounts) shall be applicable to any Group II Non-certificated Irregular Air Carrier unless such rule, regulation, term, condition or limitation expressly provides that such provision is to be applicable to such carriers.

(3) *Non-certificated Air Cargo Carriers.*—Non-certificated Air Cargo Carriers shall be exempt, subject to conditions and requirements hereinafter set forth, and only in respect of operations of a nature embraced within the definition set forth in subparagraph (c)(4) herein above, from the following provisions of, and requirements pursuant to, Title IV of the Civil Aeronautics Act of 1938, as amended:

(i) Section 401 (Certificate of Public Convenience and Necessity), except the provisions of subsection 401(1) (Compliance with Labor Legislation);

(ii) Subsection 404(a) (Carrier's Duty, etc.);

(iii) Section 405 (Transportation of Mail);

(iv) Section 406 (Rates for Transportation of Mail);

(v) Certain reporting requirements. No provision of any rule, regulation, term, condition or limitation prescribed pursuant to subsection 407(a) (Filing of Reports) shall be applicable to any Non-certificated Air Cargo Carrier unless such rule, regulation, term, condition or limitation expressly provides that such provision is to be applicable to such carriers; and

(vi) Certain accounting and recording requirements. No provision of any rule, regulation, term, condition or

limitation prescribed pursuant to subsection 407(d) (Form of Accounts) shall be applicable to any Non-certificated Air Cargo Carrier unless such rule, regulation, term, condition or limitation expressly provides that such provision is to be applicable to such carriers.

(4) *Non-certificated Indirect Air Cargo Carriers.* — Non-certificated Indirect Air Cargo Carriers shall be exempt, subject to conditions and requirements hereinafter set forth, and only in respect of operations of a nature embraced within the definition set forth in subparagraph (c) (5) hereinabove, from the following provisions of, and requirements pursuant to, Title IV of the Civil Aeronautics Act of 1938, as amended:

(i) Section 401 (Certificate of Public Convenience and Necessity);

(ii) Section 405 (Transportation of Mail);

(iii) Section 406 (Rates for Transportation of Mail);

(iv) Certain reporting requirements. No provision of any rule, regulation, term, condition or limitation prescribed pursuant to subsection 407(a) (Filing of Reports) shall be applicable to any Non-certificated Indirect Air Cargo Carrier unless such rule, regulation, term, condition or limitation expressly provides that such provision is to be applicable to such carriers; and

(v) Certain accounting and recording requirements. No provision of any rule, regulation, term, condition or limitation prescribed pursuant to subsection 407(d) (Form of Accounts) shall be applicable to any Non-certificated Indirect Air Cargo Carrier unless such rule, regulation, term, condition or limitation expressly provides that such provision is to be applicable to such carriers.

(e) *Duration of Exemption for Non-certificated Air Cargo Carriers and Non-certificated Indirect Air Cargo Carriers.* As provided in this section:

(1) Each Non-certificated Air Cargo Carrier shall be exempt

(i) with respect to operations in interstate or overseas air transportation, only until 60 days after the Board shall have made final disposition of the application or applications for the issuance of a certificate of public convenience and necessity authorizing the interstate or overseas air transportation of property only, which said application or applications shall have been filed with the Board by that carrier prior to a date 30 days after the effective date of this section; and

(ii) with respect to operations in foreign air transportation, until 60 days after the Board shall have made final disposition of any one application, or part thereof, filed with the Board by that carrier for the issuance of a certificate of public convenience and necessity authorizing the foreign air transportation of property only, and thereafter with respect to operations in foreign air transportation for which authorization has been sought by that carrier in any other application pending at the time of the hearing upon the application, or part thereof, of which final disposition has been made, in accordance with whatever provisions as to the termination or continuance of such exemption the Board shall include in the order so disposing of such application or part thereof; provided, that the exemption herein referred to shall not apply to any non-certificated air cargo carrier as to which prior exemption under paragraph (d)(3) of this section has been wholly terminated pursuant to the provisions of this paragraph; and

(2) Each Non-certificated Indirect Air Cargo Carrier shall be exempt only until 60 days after the Board shall have made final disposition of the pending proceeding known as the *Freight Forwarder Case*, Docket No. 681, *et al.*

(f) *Letters of Temporary Authority.* For the purpose of giving effect to the provisions of this regulation, and in order to facilitate the performance of the Board's duties and responsibilities under the Act, there is hereby established for issuance to Non-certificated Irregular Air Carriers, Non-certificated Air Cargo Carriers and Non-certificated Indirect Air Cargo Carriers a form of operating authority to be known as a "Letter of Temporary Authority." No Non-certificated Irregular Air Carrier, Non-certificated Air Cargo Carrier or Non-certificated Indirect Air Cargo Carrier may engage in any air transportation pursuant to this regulation, except as hereinafter provided, unless such air carrier is specifically so authorized by an effective Letter of Temporary Authority, the issuance and operative duration of which shall be subject to the following conditions and requirements:

(1) From and after 60 days after the effective date of this regulation, no non-certificated air carrier may engage in any form of air transportation pursuant to this regulation unless and until there is in effect with respect to such non-certificated air carrier a Letter or Letters of Temporary Authority issued by the Board authorizing such air carrier to engage in air transportation under an appropriate exemption as Non-certificated Irregular Air Carrier, Non-certificated Air Cargo Carrier or Non-certificated Indirect Air Cargo Carrier, respectively: *Provided*, That if any such air carrier, otherwise authorized to engage in air transportation pursuant to this regulation, shall file with the Board, prior to 60 days after the effective date of this regulation, an application for a Letter or Letters of Temporary Authority, such applicant may continue to engage in such air transportation until notified by the Board of the final disposition of such application.

(2) Letters of Temporary Authority shall be initially issued by the Board upon the filing with the Board of an application therefor, setting out the following information: (i) date; (ii) name of carrier; (iii) mailing address; (iv) location of principal operating base; (v) if a corporation, the place of incorporation and the name and citizenship of officers and directors; (vi) if an individual or partnership, the name and citizenship of owner or partners; (vii) class of non-certificated air carrier for which a covering Letter of Temporary Authority is sought; (viii) if authority to operate as Non-certificated Irregular Air Carrier—Group II is sought, the types and numbers of each type of aircraft used in air carrier service. Such information as submitted shall be certified to by a responsible official of the carrier as being correct and shall be submitted in duplicate in letter form or on Form No. , sample of which is attached and made part of this section.

(3) Letters of Temporary Authority shall be non-transferable and will convey no authority whatsoever to any person other than the air carrier named therein.

(4) Letters of Temporary Authority shall be returned to the Board immediately upon their expiration, suspension, termination or revocation.

(5) A Letter of Temporary Authority issued to a Non-certificated Air Cargo Carrier shall expire and be null and void

(i) with respect to operations in interstate or overseas air transportation, 60 days after final disposition by the Board of all applications filed by the holder prior to a date 30 days after the effective date of this section for the issuance of a certificate of public convenience and necessity authorizing the interstate or overseas air transportation of property only; and

(ii) with respect to operations in foreign air transportation, 60 days after final disposition by the Board of any one application, or part thereof, filed by the holder for the issuance of a certificate of public convenience and necessity authorizing the foreign air transportation of property only, or, with respect to operations in foreign air transportation for which authorization has been sought by that carrier in any other application pending at the time of the hearing upon the application, or part thereof, of which final disposition has been made, at such time thereafter as the Board shall provide in the order so disposing of such application or part thereof.

(6) Letters of Temporary Authority issued to Non-certificated Indirect Air Cargo Carriers shall expire and be null and void upon final disposition by the Board of the pending proceeding known as the *Freight Forwarder Case*, Docket No. 681 *et al.*

(7) Letters of Temporary Authority shall be subject to immediate suspension when, in the opinion of the Board, circumstances require such action in the public interest.

(8) Letters of Temporary Authority shall be subject to revocation, after notice and hearing, for knowing or willful violation of any provision of the Civil Aeronautics Act of 1938, as amended, or any order, rule, or regulation issued under any such provision, or any term, condition or limitation of any authority issued under said Act or regulations, and, further, shall be revoked as to any air carrier or class of air carriers whenever the Board shall find that enforcement of the provisions of section 401 of the Act, from which exemption is provided in this section, is or would be no longer an undue burden on such air carrier or class of air carriers and is in the public interest.

(9) For the purpose of assisting in the elimination of confusion and misunderstanding on the part of the public concerning the status of certificated and non-certificated air carriers, each Letter of Temporary Authority issued by the Board held by a Non-certificated Irregular Air Carrier shall be subject to revocation, after notice and hearing, if such air carrier uses the word "way" or the word "line," either alone or in combination with any other term or terms (as, for example, such combinations as "airways," "airlines," etc.), as part of its name under which it conducts its operations or does business with the public.

(10) Each Letter of Temporary Authority issued to a non-certificated air carrier shall contain a brief summary statement of the character and scope of authority granted. After receipt of such Letter of Temporary Authority and throughout the effective period of the authority granted,

the contents of this summary statement shall be reproduced in full and in substantially the same form by each such air carrier in all of its newspaper, magazine, periodical, leaflet, telephone book and distributed advertising, and shall be prominently and conspicuously displayed in each office where sales are made or payment is received for the air transportation of persons or property by such air carrier, and shall be so displayed therein as to be legible to the shipping or traveling public in the normal course of business relating to air transportation between such persons and such air carrier; and in addition, it shall be reproduced in full by Non-certificated Irregular Air Carriers and Non-certificated Air Cargo Carriers and be conspicuously displayed throughout its effective period immediately inside the cabin of each aircraft, slightly to the left of the cabin entrance, for examination by interested persons.

(g) *Additional Temporary Exemption.* Notwithstanding any of the foregoing provisions of this regulation all non-certificated air carriers shall be exempt, for a period of 3 months after the effective date of this regulation, from all provisions of section 401 and 403 of the Act, other than section 401(1), with respect to operations in overseas and foreign air transportation. (Secs. 205(a) and 416(b), 52 Stat. 984 and 1004, 49 U. S. C. 425 (a) and 496(b).)

CAB Hearing on British Commonwealth Air Route Stirs Wrath of Sea-Air

The hearing on British Commonwealth Pacific Airlines' air route application was described by Tirey L. Ford, chairman of the Sea-Air Committee, as "another nail in the lid of the coffin in which America's hopes for a dominant position in foreign trade are being buried." British Commonwealth has applied for a permit for air service between Sydney, Australia and San Francisco and Vancouver, via Honolulu.

"This is not a criticism of the bilateral treaty policy, which is sound," Ford declared. "It is merely a factual comment on the unfortunate result of the combination of the reciprocal aspects of the treaties and the concurrent failure to permit American steamship interests to participate in overseas air transport. Privileges are thus granted to foreign maritime interests which are not concurrently granted to their American counterparts."

Ford said that his comments were based on facts which were available but were not developed at the hearing on December 5. He called the facts "part of an unbelievable pattern which spells America's self- elimination from a dominant position in world transport and trade." These follow:

1. "On January 23, 1945, nearly two long years ago, the Oceanic Steamship Company filed a petition with the Civil Aeronautics Board requesting a permit to operate an airline from San Francisco and Los Angeles, via Honolulu, Fiji and other points, to Australia. The Civil Aeronautics Board has not yet set a date for a hearing."

2. "On December 4, 1946, the British Commonwealth Pacific Airlines filed a petition for a permit to operate between San Francisco, Vancouver, British Columbia and Australia, via Honolulu and Fiji, and the hearing was held the very next day, December 5."

3. "The actual operators of this route will be the Australian National Airways, which is owned by Australian steamship companies. One of these is the Union Steamship Company."

4. "The Union Steamship Company has, for many, many years, been the direct competitor of the Oceanic Steamship Company for the ocean route between Australia, Honolulu, and San Francisco."

5. "Another steamship interest is William Holyman Pty. Ltd. Holyman has for years operated an integrated sea-air service over his Australian and New Zealand routes."

6. "Add to this the fact that the Matson Navigation Company, as part of a larger application, on September 22, 1943, requested a permit to operate an airline from Seattle and Portland to Honolulu. This case was heard on September 6, 1944—almost a year later—and denied on June 29, 1946. Matson then filed another petition for the Seattle-Portland to Honolulu service alone because the Civil Aeronautics Board had certified no American carrier whatsoever on this route. The case is now pending."

Ford pointed out that "from the Northwest we have a foreign line certificated from Vancouver, which is only a short distance from Seattle, to Honolulu, and so far no American flag service at all from Seattle to Honolulu direct."

"Here is an example of the result of bilateral treaties which compel the Civil Aeronautics Board to promptly grant overseas airline permits to foreign steamship interests," he asserted. "The Civil Aeronautics Board has not yet granted any such permits to American steamship lines over their own trade routes. This situation is not unique. It is now routine for foreign steamship and maritime-minded interests to receive airline permits to operate between the United States and foreign countries.

"We favor the bilateral treaty system. It is an orderly way to develop our trade routes. But we feel that it is a fatal error to permit these treaties to operate in such a way as to give the green light and an inside track to foreign maritime interests unless our own merchant marine is automatically afforded equal privileges. The paradox is heightened when we learn that the taxpaper again largely foots the bill. Our able and wideawake foreign trade competitors are buying, at depreciated prices, the airplanes built at great cost by America, using many airports built during the war by America, and using pilots whose expensive training was paid for by America."

In his argument favoring sea-air integration, Ford stated that the American merchant marine, represents "vast national resources in terms of experienced management, competent organizations in foreign countries, long and hard-won experience in foreign trade, and the financial capacity, and the will to use them," and reiterated the oft made demand that the barriers preventing the steamship companies from participating in air transportation "be removed and soon."

New NEA Service

Northeast Airlines has inaugurated service to Portsmouth, New Hampshire, on its New York-Boston-Portland route. There are two round trips daily.

AFTER LAV CRACKED THE COAST-TO-COAST RECORD

Piloting a Constellation of Linea Aeropostal Venezolana from California to New York in six hours, 55 minutes, five seconds, thus establishing a new commercial plane record, earns Captain Gordon Granger a handshake from Kenneth Behr, manager of LaGuardia Airport. The previous mark had been held by TWA. Left to right are Cloyd Clevenger, operations manager of LAV's International Division, Caracas; Lieutenant Colonel Jorge Marcano, Venezuelan air attache in Washington; Granger; Frank J. Hill, copilot, Behr; Gerard E. Quintero Jr., LAV general manager in New York; and Captain H. Lopez Conde, managing director of the airline. LAV has purchased four Constellations from Lockheed and has four Douglas Skymasters. In the near future it will inaugurate daily service between Caracas and the United States.

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